

CIRCULAR DATED 10 OCTOBER 2018

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

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately. If you have sold or transferred all your Shares (as defined herein) represented by physical share certificate(s), you should immediately send this Circular, the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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

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

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



BOLDTEK HOLDINGS LIMITED

(Company Registration No.: 201224643D)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED ADOPTION OF THE BOLDTEK EMPLOYEE SHARE OPTION SCHEME (“SCHEME”);**
- (2) THE PROPOSED GRANT OF OPTIONS UNDER THE SCHEME AT A DISCOUNT;**
- (3) THE PROPOSED PARTICIPATION BY MR PHUA LAM SOON, THE CHIEF EXECUTIVE OFFICER AND A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE SCHEME;**
- (4) THE PROPOSED GRANT OF 2,784,375 OPTIONS UNDER THE SCHEME TO MR PHUA LAM SOON;**
- (5) THE PROPOSED PARTICIPATION BY MS ONG SIEW ENG, AN EXECUTIVE DIRECTOR AND A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE SCHEME;**
- (6) THE PROPOSED GRANT OF 2,784,375 OPTIONS UNDER THE SCHEME TO MS ONG SIEW ENG; AND**
- (7) THE PROPOSED ADOPTION OF THE SHARE BUY BACK MANDATE.**

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	:	27 October 2018 at 4 p.m.
Date and time of Extraordinary General Meeting	:	29 October 2018 at 4 p.m. (or as soon as practicable thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 3 p.m. on the same day and at the same place).
Place of Extraordinary General Meeting	:	24 Kranji Road, Singapore 739465

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DEFINITIONS

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

“ACRA”	:	The Accounting and Corporate Regulatory Authority
“Act” or “Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
“AGM”	:	The annual general meeting of the Company
“Associate”	:	(a) in relation to any Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more. (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Auditors”	:	The auditors of the Company for the time being
“Board”	:	The board of Directors of the Company for the time being
“Business Day”	:	A day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual (Section B: Rules of Catalist), as amended, supplemented or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“CEO”	:	Chief Executive Officer

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“Circular”	:	This circular to Shareholders dated 10 October 2018
“Company”	:	Boldtek Holdings Limited
“Constitution”	:	The memorandum and articles of association of the Company or other regulations of the Company for the time being in force
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the total votes attached to all voting Shares of the Company; or (b) (subject to the SGX-ST determining that such a person is not a controlling shareholder) in fact exercises control over the Company
“Date of Grant”	:	The date on which an Option is granted to a Participant pursuant to the Rules of the Scheme
“Director(s)”	:	The directors of the Company for the time being
“Discount Option”	:	Has the same meaning as ascribed in Section 2.2.3 of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be held on 29 October 2018, notice of which is set out in pages 72 to 76 of this Circular
“Employee”	:	A confirmed full-time employee of the Group
“EPS”	:	Earnings per Share
“ESOS Committee”	:	the committee designated to administer the Scheme shall be the Remuneration Committee of the Company, or such other committee comprising Directors duly authorised and appointed by the Board to administer the Scheme
“Executive Director”	:	A Director who is an Employee of the Group and performs an executive function, excluding Directors who are Controlling Shareholders and Directors who are Associates of Controlling Shareholders
“Exercise Period”	:	The period during which an Option is exercisable being:– (a) in the case of a Market Price Option, a period commencing after the 1st anniversary of the Date of Grant and expiring on the 10th anniversary of such Date of Grant; and

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(b) in the case of a Discount Option, a period commencing after the 2nd anniversary of the Date of Grant and expiring on the 10th anniversary of such Date of Grant,

subject as provided in Rules 11 and 15 of the Scheme and any other conditions as may be introduced by the ESOS Committee from time to time

“Exercise Price”	:	The price at which a Participant of the Scheme shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 9.1(i) of the Scheme in relation to a Market Price Option or Rule 9.1(ii) of the Scheme in relation to a Discount Option, as adjusted in accordance with Rule 10 of the Scheme
“FRS”	:	Financial Reporting Standard
“FY”	:	Financial year ending or ended (as the case may be) 30 June of a particular year as stated
“Group”	:	The Company and its subsidiaries, collectively
“Independent Director”	:	An independent Director of the Company
“Latest Practicable Date”	:	27 September 2018, being the latest practicable date prior to the printing of this Circular
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Price”	:	A price equal to the average of the last dealt prices for the Shares on the SGX-ST over five (5) consecutive Market Days, on which transactions in the Shares were recorded, immediately preceding the Date of Grant of that Option, as determined by the ESOS Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices
“Market Price Option”	:	Has the same meaning as ascribed in Section 2.2.3 of this Circular
“New Shares”	:	The new Shares which may be allotted and issued from time to time pursuant to the exercise of the Options granted under the Scheme
“Non-Executive Director”	:	A Director other than an Executive Director

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“Notice of EGM”	:	The notice of EGM as set out on pages 72 to 76 of this Circular
“NTA”	:	Net tangible assets of the Group
“Option”	:	A Market Price Option and/or a Discount Option, as the case may be
“Participant” or “Scheme Participant”	:	The person(s) who may be selected by the ESOS Committee to be granted an Option pursuant to the Scheme
“Proposed Adoption of the Share Buy Back Mandate”	:	The proposed adoption of the Share Buy Back Mandate
“Proxy Form”	:	The proxy form attached to this Circular
“Record Date”	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Register of Members”	:	The register of members of the Company
“Relevant Period”	:	The period as set out in Section 6.3.2 of this Circular
“Remuneration Committee”	:	The remuneration committee of the Company for the time being, unless otherwise stated
“Rules of the Scheme”	:	Proposed Rules of the Scheme as set out in the Appendix 1 of this Circular and any reference to a particular rule shall be construed accordingly
“Share Buy Back Mandate”	:	The general mandate to authorise the Directors to exercise all the powers of the Company to purchase or otherwise acquire its issued Shares upon and subject to the terms of such mandate
“Scheme” or “Boldtek Employee Share Option Scheme”	:	The proposed Boldtek Employee Share Option Scheme to be adopted by the Company
“Securities Account”	:	The securities account maintained by a Depository with CDP but does not include a securities sub-account maintained with a Depository Agent

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“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, supplemented or modified from time to time
“SGXNET”	:	The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shares”	:	Ordinary shares in the capital of the Company
“Shareholders”	:	Registered holder(s) of the Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose securities accounts are credited with those Shares
“Sponsor”	:	PrimePartners Corporate Finance Pte. Ltd.
“Substantial Shareholder”	:	A person who has an interest (directly or indirectly) in 5% or more of the total votes attached to all voting Shares of the Company
“Takeover Code” or “Code”	:	The Singapore Code on Take-overs and Mergers
<u>Currencies, Units and Others</u>		
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
“%” or “per cent”	:	Per cent. or percentage

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

The term “**treasury shares**” shall have the meaning ascribed to it in Section 4 of the Companies Act.

The term “**Subsidiary**” shall have the meaning ascribed to it under Section 5 of the Companies Act.

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

DEFINITIONS

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated. Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any term defined under the SFA, the Companies Act or the Catalist Rules, or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the SFA, the Companies Act or the Catalist Rules, or such modification thereof, as the case may be, unless otherwise provided.

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

LETTER TO SHAREHOLDERS

BOLDTEK HOLDINGS LIMITED

(Company Registration No. 201224643D)
(Incorporated in the Republic of Singapore)

Directors:

Pao Kiew Tee (Non-Executive Chairman and Independent Director)
Phua Lam Soon (Chief Executive Officer)
Ong Siew Eng (Executive Director)
Ng Kok Seng (Executive Director)
Foo Shiang Ping (Non-Executive Director)
Chen Timothy Teck-Leng (Independent Director)

Registered Office:

24 Kranji Road
Singapore 739465

10 October 2018

To: Shareholders of Boldtek Holdings Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 The Directors propose to convene an extraordinary general meeting to be held on 29 October 2018 at 4 p.m. (or as soon as practicable immediately after the AGM to be held on the same day and at the same place at 3 p.m. shall have concluded or shall have been adjourned) to seek Shareholders' approval in relation to:

- (i) the proposed adoption of the Scheme (Ordinary Resolution 1);
 - (ii) the proposed grant of Options under the Scheme at a discount (Ordinary Resolution 2);
 - (iii) the proposed participation by Mr Phua Lam Soon, the CEO and a controlling shareholder of the Company, in the Scheme (Ordinary Resolution 3);
 - (iv) the proposed grant of 2,784,375 Options under the Scheme to Mr Phua Lam Soon (Ordinary Resolution 4);
 - (v) the proposed participation by Ms Ong Siew Eng, an Executive Director and a controlling shareholder of the Company, in the Scheme (Ordinary Resolution 5);
 - (vi) the proposed grant of 2,784,375 Options under the Scheme to Ms Ong Siew Eng (Ordinary Resolution 6); and
 - (vii) the Proposed Adoption of the Share Buy Back Mandate (Ordinary Resolution 7),
- (collectively, the "**Proposed Resolutions**").

The purpose of this Circular is to provide Shareholders with information relating to, and to seek their approval for, the Proposed Resolutions to be tabled at the EGM. This Circular has been prepared solely for the purposes set out herein and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched to by the Company) or for any other purpose.

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The Sponsor and the SGX-ST assume no responsibility for the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

Shareholders who are in any doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant, tax advisor or other professional advisors immediately.

1.2 Conditionality of Ordinary Resolutions

The Directors wish to highlight the following:

- (i) Ordinary Resolution 2 is conditional upon the passing of Ordinary Resolution 1. This means that if Ordinary Resolution 1 is not approved, Ordinary Resolution 2 would not be carried;
- (ii) Ordinary Resolution 3 is conditional upon the passing of Ordinary Resolution 1. This means that if Ordinary Resolution 1 is not approved, Ordinary Resolution 3 would not be carried;
- (iii) Ordinary Resolution 4 is conditional upon the passing of both Ordinary Resolutions 1 and 3. This means if either of Ordinary Resolutions 1 or 3 is not approved, Ordinary Resolution 4 would not be carried;
- (iv) Ordinary Resolution 5 is conditional upon the passing of Ordinary Resolution 1. This means that if Ordinary Resolution 1 is not approved, Ordinary Resolution 5 would not be carried; and
- (v) Ordinary Resolution 6 is conditional upon the passing of both Ordinary Resolutions 1 and 5. This means if either of Ordinary Resolutions 1 or 5 is not approved, Ordinary Resolution 6 would not be carried.

2. THE PROPOSED ADOPTION OF THE BOLDTEK EMPLOYEE SHARE OPTION SCHEME

2.1. Rationale of the Scheme

The Company places strong emphasis on the recruitment and retention of Directors and quality Employees with talent in all areas of the Group's operations, and in particular, the drive, leadership, skills, expertise and experience of such persons, as the Company considers these to be qualities that will assist the Group to realise its strategic and long-term business goals.

The Company proposes to adopt a share option scheme, known as the Boldtek Employee Share Option Scheme ("**Scheme**"), subject to Shareholders' approval being obtained at the EGM, as the implementation of the Scheme will enable the Company to structure a competitive remuneration package, which is designed as an additional incentive tool to reward and retain Employees and Directors, including those who are Controlling Shareholders or their Associates, as well as to achieve the following objectives:–

- (i) to motivate each Participant to achieve and maintain a high level of performance and contribution;

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- (ii) to make employee remuneration sufficiently competitive to recruit and retain Participants whose contributions are important to the long-term growth and profitability of the Group;
- (iii) to foster an ownership culture within the Company which aligns the interests of Employees with the interests of the Shareholders; and
- (iv) to attract potential Employees with relevant skills to contribute to the Group and to create value for the Shareholders.

Upon the grant of Shareholders' approval for the adoption of the Scheme, an application will be made by the Company, through the Sponsor, to the SGX-ST for the listing of and quotation for the Shares to be issued pursuant to the Scheme on the Catalist. The Company will make the relevant announcement, including details of the relevant conditions of the in-principle approval of the SGX-ST, upon receipt of the listing and quotation notice from the SGX-ST.

2.2. Summary of the Scheme

The Rules of the Scheme in their entirety are set out in Appendix 1 to this Circular, and a summary of the Rules of the Scheme is set out below. Capitalised terms as used throughout this section, unless otherwise defined, shall bear the meanings as defined in Rule 2 of Appendix 1 of this Circular.

2.2.1. Eligibility

The following persons shall be eligible to participate in the Scheme:–

- (i) Employees who are confirmed full-time employees of the Company and/or its Subsidiaries who have attained the age of 21 years on or before the Date of Grant;
- (ii) Directors (including Non-Executive Directors) of the Company and/or its Subsidiaries (subject to the terms of the Rules of the Scheme); and
- (iii) Controlling Shareholders and/or their Associates, who meet the criteria in sections 2.2.1(i) or 2.2.1(ii) above (subject to the terms of the Rules of the Scheme),

who, in the opinion of the ESOS Committee, have contributed or will contribute to the success of the Group.

Persons who are Controlling Shareholders and/or Associates of Controlling Shareholders who meet the criteria in sections 2.2.1(i) or 2.2.1(ii) above are also eligible to participate in the Scheme provided that the participation of and the actual number of Shares to be issued to them and the terms of any Option to be granted to each Controlling Shareholder or Associate of Controlling Shareholder shall be approved by independent Shareholders in separate resolutions for each such person subject to the following:–

- (a) the aggregate number of Shares which may be offered by way of grant of Options to Participants who are Controlling Shareholders and Associates of Controlling Shareholders under the Scheme shall not exceed 25% of the total number of Shares available under the Scheme; and

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- (b) the number of Shares available to each Controlling Shareholder or Associate of a Controlling Shareholder shall not exceed 10% of the total number of Shares available under the Scheme.

For the purposes of assessing the contributions of eligible persons, the ESOS Committee may adopt a performance framework which incorporates financial and/or non-financial performance measurement criteria including, but not limited to, the financial benefit or financial enhancement to the Group through any deals or transactions entered into by the Group as a result of the contributions of such persons, as well as the value of other contributions such as the introduction of new contacts or business opportunities.

2.2.2. Size of the Scheme

In compliance with the Catalist Rules:–

- (i) The aggregate number of Shares which the ESOS Committee may grant Options on any date, when added to the number of Shares issued and/or issuable in respect of (a) all Options granted under the Scheme; and (b) all options or awards granted under any other incentive schemes or share plan adopted by the Company and for the time being in force shall not exceed 15% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) on the day immediately preceding the relevant Date of Grant of Options; and
- (ii) The aggregate number of Shares available to Controlling Shareholders and their Associates must not exceed 25% of the total number of Shares available under the Scheme, and the number of Shares available to each Controlling Shareholder or his Associate must not exceed 10% of the total number of Shares available under the Scheme.

The Company is of the view that the size of the Scheme allows the ESOS Committee sufficient flexibility to decide upon the number of Options in view of the likely number of Participants, the total number of Shares in the capital of the Company and the duration of the Scheme. The size of the Scheme allows the Participants to participate in the Scheme and gives greater flexibility to the Company in the structuring of incentive packages. The number of Options offered must also be significant to serve as a meaningful reward for contributions to the Group. However, it does not necessarily mean that the ESOS Committee will definitely issue Options up to the prescribed limit. The ESOS Committee shall exercise its discretion in deciding the number of Options to be granted to each Participant, and this will depend on the performance and value of the Participant to the Group.

The Scheme shall continue to be in force at the discretion of the ESOS Committee, subject to a maximum period of ten (10) years, commencing on the date on which the Scheme is adopted by Shareholders at a general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

2.2.3. Exercise Price

Under the Scheme, the Exercise Price of Options granted will be determined by the ESOS Committee, in its absolute discretion, on the Date of Grant at:–

- (a) a price equal to the Market Price (“**Market Price Option**”); or

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- (b) a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed 20% of the Market Price (“**Discount Option**”).

The ability to offer Discount Options will allow flexibility in structuring the Options. Being able to offer Discount Options is important in situations where it is more meaningful for the Company to acknowledge a Participant’s achievement through offering Discount Options rather than paying him a cash bonus, as these Discount Options operate as a form of cashless reward from the Company, with a greater potential for capital appreciation than Market Price Options; or in situations where more compelling motivation is required in order to attract new talents into the Company and/or retain talented individuals.

The Company plans to exercise this discretion judiciously and the amount of discount may vary from one offer to another from time to time depending on the circumstances and on a case-by-case basis. In determining the quantum of the discount, the ESOS Committee may take into consideration such factors as it may in its absolute discretion deem appropriate, including but not limited to:–

- (i) the performance of the Company and/or the Group;
- (ii) the years of service and individual performance (including the meeting of performance targets) of the eligible Employees or Directors, including those who are Controlling Shareholders or Associates of Controlling Shareholders;
- (iii) the contribution of the eligible Employees or Directors, including those who are Controlling Shareholders or Associates of Controlling Shareholders, to the success of the Company and/or the Group; and
- (iv) the prevailing market conditions.

As share options become more significant components of employee remuneration packages and the grant of Options with a discount element becomes more common, the discretion to grant Options at a discount to the Market Price of the Shares will provide the Company with a means to maintain the competitiveness of its compensation strategy. Therefore, the Company may utilise Options as a means to reward Participants for their outstanding performance as well as to motivate them to continue to excel, and will be an additional method for compensating Employees and Directors (including those who are Controlling Shareholders or Associates of Controlling Shareholders) other than through salary, salary increments and cash bonuses. This will also enable the Company to introduce an effective manner of motivating Participants to maximise their performance, which will in turn create better value for Shareholders.

In circumstances where at the time of granting Options to Participants, the prevailing Market Price on the Shares is considered artificially high and a general discount is desirable or warranted (the rate of which will be determined by the ESOS Committee), the ESOS Committee will take into consideration factors such as the historical prices of the Shares as compared with the prevailing Market Price of the Shares during the period used to determine the Exercise Price for the Options, the market comparatives and practices of other industry players and the value of the Options as a component of each Participant’s compensation package.

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

2.2.4. Exercise Period

The period during which an Option is exercisable being:–

- (a) in the case of a Market Price Option, a period commencing after the 1st anniversary of the Date of Grant and expiring on the 10th anniversary of such Date of Grant; and
- (b) in the case of a Discount Option, a period commencing after the 2nd anniversary of the Date of Grant and expiring on the 10th anniversary of such Date of Grant,

subject as provided in Rules 11 and 15 of the Scheme and any other conditions as may be introduced by the ESOS Committee from time to time.

2.2.5. Variation of Capital

If a variation in the number of issued Shares of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, subdivision, consolidation or distribution or otherwise howsoever) should take place, then:–

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

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

Unless the ESOS Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requiring adjustment:–

- (i) issue of securities as consideration for an acquisition or a private placement of securities;
- (ii) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;
- (iii) issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees and directors pursuant to any share option scheme or performance share plan approved by Shareholders in general meeting, including the Scheme;
- (iv) issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business; and

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- (v) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

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

Notwithstanding the above provisions of rules under the Scheme:–

- (i) the adjustment must be made in such a way that the Scheme Participant will not receive a benefit that a Shareholder does not receive;
- (ii) the adjustment will not result in the number of Shares comprised in an Option, together with new Shares to be issued or issuable under the Scheme, to exceed 15% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) on the day immediately preceding the relevant Date of Grant of Options; and
- (iii) the adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

2.2.6. Modifications to the Scheme

Any or all the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the ESOS Committee, except that:–

- (i) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the ESOS Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to Shares representing not less than three-quarters of the total voting rights (or such other requirements as may be prescribed by the SGX-ST) of all the Shares which would be allotted upon exercise in full of all outstanding Options;
- (ii) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of the Shareholders in general meeting, whereby Shareholders who are also eligible Participants shall be required to abstain from voting in respect of any resolution relating to such modification or alteration; and
- (iii) no modification or alteration shall be made without the prior approval of the Sponsor (acting as agent on behalf of the SGX-ST) or the SGX-ST (as the case may be) or (if required) any other stock exchange on which the Shares are quoted and listed, and such other regulatory authorities as may be necessary.

For the purposes of section 2.2.6(i) above, the opinion of the ESOS Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

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2.2.7. Duration of the Scheme

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

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

2.2.8. Administration of Scheme

The Scheme shall be administered by the ESOS Committee in its absolute discretion with such powers and duties as may be conferred upon it by the Board provided that a member of the ESOS Committee who is a Scheme Participant shall not be involved in the deliberations of the ESOS Committee in respect of the Options to be granted to him.

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

Any decision of the ESOS Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to the quantum of discount or to disputes as to the interpretation of the Scheme or any Rule of the Scheme, regulation, or procedure thereunder or as to any rights under the Scheme).

2.2.9. Ranking of the Shares

New Shares allotted and issued upon the exercise of an Option shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights, allotments or other distributions accrued prior to the date such Shares are allotted and issued.

2.3. Cost of Options under the Scheme

The Scheme will result in an increase in the number of issued Shares of the Company to the extent that New Shares are allotted and issued upon the exercise of the Options.

Under the relevant FRS, the fair value of employee services received in exchange for the grant of Options would be recognised as a charge to the income statement. For equity-settled share-based payment transactions, the total amount to be charged to income statement over the vesting period is determined by reference to the fair value of each Option granted at the Date of Grant and the number of Options vested by the vesting date, with a corresponding credit to the reserve account.

Before the end of the vesting period, at each accounting year end, the estimate of the number of Options that are expected to vest by the vesting date is subject to revision, and the impact of the revision will be recognised in the income statement with a corresponding

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adjustment to the reserve account. After the vesting period, no adjustment to the charge to the income statement will be made. The proceeds net of any directly attributable transaction costs are credited to share capital when the Options are exercised.

During the vesting period, the EPS would be reduced by both the expenses recognised and the potential New Shares to be issued under the Scheme. When the Options are exercised, the consolidated NTA will be increased by the amount of cash received for exercise of the Options. On a per Share basis, the effect is accretive if the Exercise Price is above the consolidated NTA per Share but dilutive otherwise.

The fair value of an Option is the estimated value of the Option on its Date of Grant and may be derived by applying a variety of valuation techniques or pricing models. In the event that such Options are granted at a consideration below the fair value of the Options at the time of grant, there will be a cost to the Company in that we receive from the Participant upon the grant of the Option a consideration that is less than the fair value of the Option.

2.3.1. Share Capital

The Scheme will result in an increase in the number of issued Shares of the Company to the extent that New Shares are allotted and issued upon the exercise of the Options. This number of New Shares issued will in turn depend on, *inter alia*, the number of Shares comprised in the Options granted, the number of Options that are vested and the prevailing Market Price of the Shares on the SGX-ST. In any case, the aggregate number of Shares which the ESOS Committee may grant Options on any date, when added to the number of Shares issued and/or issuable in respect of (a) all Options granted under the Scheme; and (b) all options or awards granted under any other incentive schemes or share plan adopted by the Company and for the time being in force shall not exceed 15% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) on the day immediately preceding the relevant Date of Grant of Options.

If the Company chooses to deliver treasury shares to the Participates in lieu of New Shares, there would be no impact on the number of issued Shares of the Company.

2.3.2. EPS

The Scheme is likely to result in a charge to the income statement over the period from the Date of Grant to the vesting period. The Scheme will have a dilutive impact on the Company's consolidated EPS following the increase in the number of issued Shares of the Company to the extent that New Shares are allotted and issued pursuant to the exercise of any Options.

2.3.3. NTA

As described in Paragraph 2.3.2 above on EPS, the grant of Options will be recognised as an expense, the amount of which will be computed in accordance with the relevant FRS. When New Shares are issued upon the exercise of the Options, there would be no effect on the consolidated NTA due to the offsetting effect of expense recognised and the increase in share capital. However, if the Company chooses to deliver treasury shares to the Participates in lieu of New Shares, the consolidated NTA would be impacted by the cost of treasury shares purchased.

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3. DISCLOSURES IN ANNUAL REPORT

In accordance with the Catalist Rules, the following shall be disclosed by the Company in its annual report as long as the Scheme continues in operation:–

- (i) The names of the members of the committee administering the Scheme;
- (ii) In respect of the following Participants:–
 - (a) Directors;
 - (b) Participants who are Controlling Shareholders and their Associates;
 - (c) Participants other than those referred to in sections 3(ii)(a) and 3(ii)(b) above, who have been granted Options under the Scheme, and where the aggregate number of Shares comprised in such Options granted represent five per cent. (5%) or more of the total number of Shares available under the Scheme, the following information must be disclosed:–
 - (1) the name of the Participant;
 - (2) the aggregate number of Options granted during the financial year under review (including terms);
 - (3) the aggregate number of Options granted since the commencement of the Scheme to the end of the financial year under review;
 - (4) the aggregate number of Options exercised since the commencement of the Scheme up to the end of the financial year under review;
 - (5) the aggregate number of Options outstanding as at the end of the financial year under review;
 - (d) Where applicable, the number and proportions of Discount Options granted during the financial year under review in respect of every 10% discount range, up to the maximum quantum of discount granted; and
- (iii) such other information as may be required by the Catalist Rules or the Act.

If any of the above disclosure is not applicable, an appropriate negative statement will be included.

4. THE PROPOSED PARTICIPATION OF THE CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES AND NON-EXECUTIVE DIRECTORS (INCLUDING INDEPENDENT DIRECTORS) IN THE SCHEME

4.1. Rationale and justification for the proposed participation of the Controlling Shareholders and their Associates in the Scheme

One of the objectives of the Scheme is to motivate Participants to optimize their performance and to maintain a high level of contribution. The objectives of the Scheme apply equally to our Directors who are Controlling Shareholders or Associates of Controlling

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Shareholders. The Company's view is that all deserving and eligible Participants should be motivated, regardless of whether they are Controlling Shareholders or their Associates. The Company believes that as the Scheme is designed to motivate, retain and reward Employees and Directors who contribute to the growth and profits of the Company, Employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders should be entitled to the same benefits as other Employees and should not be excluded from benefiting under the Scheme 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 have been actively contributing to the Group's progress and development are given the incentive to continue to remain with the Group and contribute towards the Group's future progress and development. In respect of the determination as to eligibility and grant of Options, the terms of the Scheme do not differentiate between Employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders and other Directors and Employees who are not such persons. As such, Employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders will be subject to the same rules as other Employees.

Pursuant to Rule 852 of the Catalist Rules, the participation in the Scheme by, and the specific grant of Options under the Scheme to, the Controlling Shareholders and their Associates must be approved by independent Shareholders in a general meeting of the Company in separate resolutions.

As at the Latest Practicable Date, the Board has identified Mr Phua Lam Soon (the CEO of the Company) and Ms Ong Siew Eng (an Executive Director of the Company), who are Controlling Shareholders, as proposed participants of the Scheme. Detailed reasons for (i) their proposed participation are set out in sections 4.2 and 4.3 below; and (ii) the proposed grant of Options to them are set out in sections 5.1 and 5.2 of this Circular.

4.2. Rationale for the Proposed Participation of Mr Phua Lam Soon in the Scheme

Mr Phua Lam Soon serves as the CEO of the Company and is one of the Company's co-founders. He is responsible for setting the strategic plans and steering the business development of our Group as well as its overall management of our Group and its day to day operations. Mr. Phua has more than 30 years of experience in the building construction industry in Singapore.

The Directors are of the view that Mr Phua Lam Soon's contributions to the Group as the CEO of the Company have been instrumental to the growth of the Group's business since he was appointed as its CEO. Under Mr. Phua's direction, our Group has undertaken a wide range of building constructions services that it offers, from renovation and interior fitting-out works to upgrading works and main building works for public sector projects. The Directors believe that there is substantial potential future development and contribution that may be made by Mr Phua Lam Soon towards enhancing the competitiveness of the Company.

The Directors are of the view that the remuneration package of Mr Phua Lam Soon is fair given his contributions to the Company. The extension of the Scheme to Mr Phua Lam Soon is consistent with the Company's objectives to motivate its Employees to achieve and maintain a high level of performance and contribution, which is vital to the success of the Company. Although Mr Phua Lam Soon already has a shareholding interest in the Company, the extension of the Scheme to him will ensure that he is equally entitled, with the other 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.

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Due to the above reasons, the Directors believe that Mr Phua Lam Soon deserves, and should be allowed to participate in the Scheme.

Subject to Shareholders' approval for Ordinary Resolution 1, the Company proposes for Mr Phua Lam Soon to participate in the Scheme as set out in Ordinary Resolution 3 in the Notice of EGM.

4.3. Rationale for the Proposed Participation of Ms Ong Siew Eng in the Scheme

Ms Ong Siew Eng is an Executive Director of the Company and one of the Company's co-founders. She has been a director of Logistics Construction Pte Ltd and Apex Projects Pte Ltd (both of which are wholly-owned subsidiaries of the Company) since their incorporation on 25 April 1992 and 7 October 2008 respectively. From the incorporation of Logistics Construction Pte Ltd until August 2012, she was in charge of the finance, budgeting, human resource and administrative functions of the Group. Ms Ong Siew Eng currently oversees the Group's human resource management and administrative functions. Ms Ong is the spouse of Mr Phua Lam Soon, the CEO of the Company. Ms Ong has acquired in-depth knowledge of many aspects of the Group's business, including its operation, administration and management.

The Directors are of the view that the remuneration package of Ms Ong Siew Eng is fair given her contributions to the Group. The extension of the Scheme to Ms Ong Siew Eng is consistent with the Company's objectives to motivate its Employees to achieve and maintain a high level of performance and contribution, which is vital to the success of the Company. The extension of the Scheme to her will ensure that she is equally entitled, with the other 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. For the foregoing reasons, the Directors believe that Ms Ong Siew Eng deserves, and should be allowed to participate in the Scheme.

Subject to Shareholders' approval for Ordinary Resolution 1, the Company proposes for Ms Ong Siew Eng to participate in the Scheme as set out in Ordinary Resolution 5 in the Notice of EGM.

4.4. Safeguards

As a safeguard against abuse, all members of the Board (and not just members of the ESOS Committee) who are neither Controlling Shareholders nor their Associates will be involved in deliberations in respect of Options to be granted to or held by Controlling Shareholders and their Associates and the terms and conditions, including the performance targets and vesting periods (if any) attached to such Options. Examples of performance targets to be set for Controlling Shareholders and their Associates include targets based on criteria such as the Group's profitability, returns on Shareholders' funds, expansion of the Group's business, management skills and succession planning.

Specific approval of the independent Shareholders is required for the grant of Options to Controlling Shareholders or their Associates as well as the actual number of and terms of such Options. In seeking such independent Shareholders' approval, clear justification as to their participation, the number of new Shares and the terms of Options to be granted to the Controlling Shareholders or their Associates will need to be provided.

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

4.5. Proposed Participation by Non-Executive Directors (including Independent Directors) in the Scheme

Under the Catalist Rules, the Group has some flexibility in formulating schemes that recognises and benefits not only persons who are in the employment of the Group but also Non-Executive Directors (including Independent Directors) who are not employed by the Group but who nevertheless work closely with the Group and/or are in the position to contribute their experience, knowledge and expertise to the success of the Group. The Scheme is therefore proposed to be extended to the Non-Executive Directors (including Independent Directors) of the Group.

Although the Non-Executive Directors are not involved in the day-to-day running of the Group, they also play an invaluable role in our success by applying their experience, drawing on their knowledge and utilising their expertise for the benefit of the Group. It is desirable that the Non-Executive Directors (including Independent Directors) be allowed to participate in the Scheme to give recognition to their services and contributions and to further align their interests with that of the Group.

In order to minimise any possible conflicts of interest, and so as not to compromise the objectivity of independent members of the Board who may, in the future, be selected to participate in the Scheme, the Non-Executive Directors (including Independent Directors) would primarily continue to be remunerated for their services by way of directors' fees. It is envisaged that the Options granted to Non-Executive Directors (including Independent Directors) will not comprise (whether on an individual or collective basis) a significant portion of the Options available under the Scheme.

The ESOS Committee when deciding on the selection of Non-Executive Directors (including Independent Directors) to participate in the Scheme, and the number of Shares to be offered (in accordance with the Scheme), will take into consideration the nature and extent of their input, assistance and expertise rendered to the committees on which they sit and the impact thereof on the growth, success and development of the Company and the Group, as well as their involvement and commitment to the Board. Non-Executive Directors (including Independent Directors) will abstain from making any recommendation as a Director and, if applicable, abstain from voting as a Shareholder of the Company when the grant of Options to him is being considered.

5. THE PROPOSED GRANT OF OPTIONS TO CONTROLLING SHAREHOLDERS, MR PHUA LAM SOON AND MS ONG SIEW ENG

Pursuant to Rule 852 of the Catalist Rules, the specific grant of Options under the Scheme to Mr Phua Lam Soon and Ms Ong Siew Eng, who are Controlling Shareholders, will have to be approved by independent Shareholders of the Company in general meeting.

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5.1 Proposed Grant of Options to Mr Phua Lam Soon

For the reasons set out above in section 4.2, subject to and contingent upon the passing of Ordinary Resolutions 1 and 3 at the EGM, it is proposed that independent Shareholders' approval be sought by way of Ordinary Resolution 4, for authority be given to the ESOS Committee to grant Options to Mr Phua Lam Soon on the following terms:

- (i) Proposed Date of Grant of Options : Any time within four (4) weeks from the date of the EGM
- (ii) Number of Shares comprised in the Options : 2,784,375 Options comprising 2,784,375 Shares (representing approximately 1.50% of the issued Shares as at the Latest Practicable Date and 10.00% of the total number of Shares available under the Scheme)
- (iii) Exercise Price per Share : Market Price

For illustration purposes only, the Market Price of the Shares on the Latest Practicable Date is S\$0.178.
- (iv) Exercise Period : Exercisable at any time after one (1) year from the Date of Grant, subject as provided in Rule 11 and Rule 15 of the proposed Rules of the Scheme as set out in Appendix 1 to this Circular
- (v) Validity period of the Options : Ten (10) years from the Date of Grant

Relevant announcements will be made by the Company on the SGXNET upon the grant(s) of such Options to Mr Phua Lam Soon in accordance with Ordinary Resolution 4.

5.2 Proposed Grant of Options to Ms Ong Siew Eng

For the reasons set out above in section 4.3, subject to and contingent upon the passing of Ordinary Resolutions 1 and 5 at the EGM, it is proposed that independent Shareholders' approval be sought by way of Ordinary Resolution 6, for authority be given to the ESOS Committee to grant Options to Ms Ong Siew Eng on the following terms:

- (i) Proposed Date of Grant of Options : Any time within four (4) weeks from the date of the EGM
- (ii) Number of Shares comprised in the Options : 2,784,375 Options comprising 2,784,375 Shares (comprising approximately 1.50% of the issued Shares as at the Latest Practicable Date and 10.00% of the total number of Shares available under the Scheme)

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- (iii) Exercise Price per Share : Market Price
For illustration purposes only, the Market Price of the Shares on the Latest Practicable Date is S\$0.178.
- (iv) Exercise Period : Exercisable at any time after one (1) year from the Date of Grant, subject as provided in Rule 11 and Rule 15 of the proposed Rules of the Scheme as set out in Appendix 1 to this Circular
- (v) Validity period of the Options : Ten (10) years from the Date of Grant

Relevant announcements will be made by the Company on the SGXNET upon the grant(s) of such Options to Ms Ong Siew Eng in accordance with Ordinary Resolution 6.

Based on the foregoing, the aggregate maximum number of Shares in the Options to be issued to Mr Phua Lam Soon and Ms Ong Siew Eng is 5,568,750 New Shares and do not exceed 25% of the total number of Shares available to Controlling Shareholders and their Associates under the Scheme.

As at the Latest Practicable Date, Mr Phua Lam Soon has a direct interest in 14,701,600 Shares and is deemed interested in a total of 103,273,600 Shares held by Yi Investment Pte Ltd and his spouse, Ms Ong Siew Eng, representing an aggregate (direct and deemed) interest of approximately 63.56% of the Company's total issued share capital. For illustration purposes, assuming that all the Options proposed to be granted to Mr Phua Lam Soon and Ms Ong Siew Eng under this Circular are exercised and released in full, and there is no other changes in the Company's issued share capital and his direct and deemed interest prior to the exercise, Mr Phua Lam Soon's total shareholdings will increase to approximately 64.62% of the enlarged share capital of the Company.

As at the Latest Practicable Date, Ms Ong Siew Eng has a direct interest in 14,873,600 Shares and is deemed interested in a total of 103,101,600 Shares held by Yi Investment Pte Ltd and her spouse, Mr Phua Lam Soon, representing an aggregate (direct and deemed) interest of approximately 63.56% of the Company's total issued share capital. For illustration purposes, assuming that all the Options proposed to be granted to Ms Ong Siew Eng and Mr Phua Lam Soon under this Circular are exercised and released in full, and there is no other changes in the Company's issued share capital and her direct and deemed interest prior to the exercise, Ms Ong Siew Eng's total shareholdings will increase to approximately 64.62% of the enlarged share capital of the Company.

Each of Mr Phua Lam Soon and Ms Ong Siew Eng shall bear all fees of CDP (if any) relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, their individual securities account with CDP or their individual securities subaccount with a Depository Agent or CPF investment account with a CPF agent bank, all taxes (including income tax) arising from the exercise any Option granted to them.

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6. THE PROPOSED ADOPTION OF THE SHARE BUY BACK MANDATE

6.1. The Proposed Adoption of the Share Buy Back Mandate

Any purchase or acquisition of Shares by the Company would have to be made in accordance with and in the manner prescribed by the Act and the Catalist Rules and such other laws and regulations as may, for the time being, be applicable.

It is a requirement under the Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders. It is also a requirement under the Catalist Rules that an issuer which wishes to purchase its own shares should obtain prior approval of its shareholders at a general meeting.

Accordingly, approval is being sought from Shareholders at the EGM for a general and unconditional mandate to be given for the purchase or acquisition by the Company of its issued Shares.

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

6.2. Rationale

The Proposed Adoption of the Share Buy Back Mandate will give the Directors the flexibility to purchase or acquire Shares of the Company if and when circumstances permit. The Directors believe that share buy backs provide the Company and its Directors with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. It also allows the Directors to exercise greater control over the Company's share capital structure, dividend payout and cash reserves.

Share buy backs by the Company will enable the Directors to utilise the Shares which are purchased or acquired and held as treasury shares to satisfy the Company's obligation to furnish New Shares to recipients of Options upon the exercise of such Options, thus giving the Company greater flexibility to manage and minimise the dilution impact (if any) associated with any share-based incentive scheme as may be implemented by the Company from time to time (including the Scheme which is being tabled for Shareholders' approval via Ordinary Resolution 1) by delivering existing Shares instead of issuing new Shares.

The buy back of Shares may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the EPS and/or NTA per Share of the Company and the Group, and will only be made when the Directors believe that such buy back would benefit the Company and the Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy Back Mandate will only be made when the Directors believe that such purchases or acquisitions would be made in circumstances which would not have a material adverse effect on the float, liquidity, orderly trading of the Shares and/or financial position of the Company and the Group.

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6.3. Terms of the Share Buy Back Mandate

The authority and limitations placed on purchases of Shares by the Company under the Share Buy Back Mandate are summarised below:

6.3.1. 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 or acquired is limited to that number of Shares representing not more than 10% of the issued Shares as at the date of the EGM at which the Proposed Adoption of the Share Buy Back Mandate is approved (the “**Approval Date**”), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered. For purposes of calculating the percentage of issued Shares above, any of the Shares which are held as treasury shares and subsidiary holdings will be disregarded. As at the Latest Practicable Date, the Company has **no treasury shares and no Subsidiary holdings**.

For illustration purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 185,625,000 Shares, and assuming that no further Shares are issued on or prior to the EGM, not more than 18,562,500 Shares (representing 10% of the issued Shares as at that date) may be purchased or acquired by the Company pursuant to the Share Buy Back Mandate.

6.3.2. Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

- (a) the date on which the next AGM is held or is required by law to be held;
- (b) the date on which the buy backs of Shares pursuant to the Share Buy Back Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred in the Share Buy Back Mandate is varied or revoked,

whichever is the earliest (the “**Relevant Period**”).

The Share Buy Back Mandate may be renewed at each AGM or other general meeting of the Company.

6.3.3. Manner of Purchase of Shares

Purchases of Shares may be made by way of, *inter alia*:

- (a) on-market purchases (“**Market Purchase**”), transacted on the SGX-ST; and/or
- (b) off-market purchases (“**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act.

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The Directors may impose such terms and conditions which are not inconsistent with the Share Buy Back Mandate, the Catalist Rules and the Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). An Off-Market Purchase must, however, satisfy all the following conditions:

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

In addition, the Catalist Rules provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Share buy back;
- (iv) the consequences, if any, of Share buy back by the Company that will arise under the Takeover Code or other applicable take-over rules;
- (v) whether the Share buy back, if made, could have any effect on the listing of the Shares on Catalist;
- (vi) details of any Share buy back made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

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6.3.4. Maximum Purchase Price

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

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

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, up to 120% of the Average Closing Price,

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

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last 5 Market Days, on which transactions in the Shares were recorded, preceding the day 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 for any corporate action that occurs after the relevant 5-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 purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

6.4. Status of Purchased Shares under the Share Buy Back Mandate

6.4.1. Cancellation

Any Share which is purchased or acquired by the Company shall, unless held as treasury shares to the extent permitted under the Act, be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. 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) will be automatically de-listed from Catalist, 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.

No acquisition by a company of its own shares whether to be held as treasury shares or for cancellation may be effected if, on the date on which the acquisition is to be effected, there are reasonable grounds for believing that the company is, or after the acquisition would be, unable to pay its liabilities as they become due.

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6.4.2. Treasury Shares

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

(a) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with the applicable provisions of the Act.

(b) 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 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. A subdivision or consolidation of any treasury share into treasury shares of a smaller or larger amount (as the case may be) is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Takeover Code):

- (1) sell the treasury shares for cash;
- (2) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (3) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (4) cancel the treasury shares; or
- (5) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

The Directors will also consider and decide whether to purchase or acquire Shares to satisfy the Company's obligation to furnish Shares to participants under the Scheme (if approved by Shareholders at the EGM).

The Shares purchased or acquired under the Share Buy Back Mandate will be held as treasury shares or cancelled by the Company taking into consideration the then prevailing circumstances and requirements of the Company at the relevant time.

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6.5. Source of Funds

In buying back Shares, the Company may only apply funds legally available for such purchase in accordance with its Constitution and the applicable laws in Singapore. The Company may not buy Shares on Catalist for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST. The buy back of Shares by the Company 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 Act, the Company is solvent if at the date of payment in consideration of a Share buy back:

- (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 any proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

In determining that the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimates of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

When Shares are purchased or acquired, and cancelled:

- (a) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (including brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) (the "**Share Buy Back Purchase Price**");
- (b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits and the amount available for distribution of dividends by the total amount of the Share Buy Back Purchase Price; or
- (c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the total amount of the consideration paid by the Company for the Share buy back.

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The Company may use internal or external sources of funds, or a combination of both, to finance purchases of Shares pursuant to the Share Buy Back Mandate.

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.

6.6. Take-over Implications under the Takeover Code

6.6.1. Obligation to Make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of 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 Takeover Code. Consequently, a Shareholder or a 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 Takeover Code.

Under Rule 14 of the Takeover Code, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30 per cent or more or, if they, together holding between 30 per cent and 50 per cent of the Company's voting rights, increase their voting rights in the Company by more than 1 per cent in any period of 6 months.

6.6.2. Persons Acting in Concert

Under the 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 effective control of that company.

Unless the contrary is established, the following persons will be presumed to be acting in concert with each other:

- (i) a company with its parent company, subsidiaries and its fellow subsidiaries, and any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (ii) a company with any of its directors, together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) 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;

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- (v) a financial or other professional advisor, including a stockbroker, with its clients in respect of the shareholdings of the advisor and the persons controlling, controlled by or under the same control as the advisor and all the funds which the advisor manages on a discretionary basis, where the shareholdings of the advisor and any of those funds in the client total ten per cent (10%) or more of the client's equity share capital;
- (vi) 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;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions and companies controlled by any of the above and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purpose of voting rights.

Unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Takeover Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties increase by more than 1 per cent in any period of 6 months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

A Shareholder who is not acting in concert with directors will not be required to make a takeover offer under Rule 14 of the Takeover Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the company's voting rights, the voting rights of such Shareholder would increase by more than one per cent (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

To the best of the Directors' knowledge, there are no persons who may incur an obligation to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the Proposed Adoption of the Share Buyback Mandate. Further details of the interests of the Directors and Substantial Shareholders of the Company in Shares as at the Latest Practicable Date are set out in section 7 of this Circular.

The statements in this Circular do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Takeover Code. Shareholders are advised to consult their professional advisors and/or the Securities Industry Council and/or other 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.

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6.7. Financial Effects of the Proposed Adoption of the Share Buy Back Mandate

6.7.1. General

Shareholders should note that the financial effects illustrated below are for illustration purposes only. In particular, it is important to note that the financial analysis set out below are based on the audited consolidated financial statements for FY2018 and are not necessarily representative of the future financial performance of the Group.

6.7.2. Financial Effects of the Proposed Adoption of the Share Buy Back Mandate

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Proposed Adoption of the Share Buy Back Mandate on the financial effects as it would depend on factors such as the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled. Where the consideration paid by the Company for the Shares is made out of profits, such consideration (including 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. Where the consideration paid by the Company for the Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced. 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 financial position of the Company and/or Group. The purchase of Shares will only be effected after considering relevant factors such as the Group's working capital requirement, the availability of financial resources to the Group, the Group's expansion and investment plans and the prevailing market conditions. The Share Buy Back Mandate will be exercised with a view to enhance the earnings and/or NTA value per Share of the Group. The financial effects presented in this section of this Circular are based on the assumptions set out below:

(a) Information as at the Latest Practicable Date

As at the Latest Practicable Date, the Company has 185,625,000 issued Shares (the Company does not hold any treasury shares and Subsidiary holdings).

(b) Illustrative Financial Effects

Purely for illustrative purposes, on the basis of 185,625,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are held by the Company as treasury shares on or prior to the EGM, the purchase by the Company of 10% of its issued Shares will result in the purchase of 18,562,500 Shares.

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In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 18,562,500 Shares at the Maximum Price of S\$0.187 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 18,562,500 Shares is approximately S\$3,471,188.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 18,562,500 Shares at the Maximum Price of S\$0.214 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 18,562,500 Shares is approximately S\$3,972,375.

For illustrative purposes only and on the basis of the assumptions set out above as well as the following:–

- (i) the Share Buy Back Mandate had been effective since 1 July 2017;
- (ii) such Share purchases are funded half by internal resources and half by borrowings;
- (iii) purchase or acquisition of 18,562,500 Shares by the Company pursuant to the Share Buy Back Mandate by way of Market Purchases made entirely out of capital and cancelled;
- (iv) purchase or acquisition of 18,562,500 Shares by the Company pursuant to the Share Buy Back Mandate by way of Off-Market Purchases made entirely out of capital and cancelled;
- (v) purchase or acquisition of 18,562,500 Shares by the Company pursuant to the Share Buy Back Mandate by way of Market Purchases made entirely out of capital and held in treasury;
- (vi) purchase or acquisition of 18,562,500 Shares by the Company pursuant to the Share Buy Back Mandate by way of Off-Market Purchases made entirely out of capital and held in treasury; and
- (vii) the 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.

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The financial effects on the audited consolidated financial results of the Group for FY2018, are set out below:–

Scenario 1: Purchases made entirely out of capital and cancelled

	Group			
	Market Purchase		Off-Market Purchase	
(S\$'000) As at 30 June 2018	Before Share Buy back	After Share Buy back	Before Share Buy back	After Share Buy back
Share capital	17,676	15,908	17,676	15,908
NTA ¹	27,587	24,116	27,587	23,615
Current assets	60,435	58,700	60,435	58,449
Current liabilities	50,765	52,501	50,765	52,751
Working capital	9,670	6,199	9,670	5,698
Total borrowings ²	23,991	25,727	23,991	25,977
Cash and bank balances ²	3,384	1,649	3,384	1,398
Number of shares issued ('000)	185,625	167,063	185,625	167,063
FY 30 June 2018 ("FY2018")				
Profit attributable to Shareholders (\$'000)	592	592	592	592
Weighted average number of shares ³ ('000)	177,277	158,715	177,277	158,715
Financial ratios				
NTA per share ⁴ (cents)	14.86	14.44	14.86	14.14
Current ratio ⁵ (times)	1.19	1.12	1.19	1.11
Basic EPS ⁶ (cents)	0.33	0.37	0.33	0.37

Notes:–

- (1) NTA equals total assets less intangible assets and total liabilities.
- (2) For illustrative purpose only, it is assumed that the purchase of 18,562,500 Shares was 50.00% funded by internal resources and 50.00% by borrowings.
- (3) For the purpose of computing weighted average number of shares, it is assumed that the purchase of 18,562,500 Shares was on 1 July 2017.
- (4) NTA per share is computed based on the NTA divided by the number of shares issued as at 30 June 2018.
- (5) Current ratio represents the ratio of current assets to current liabilities.
- (6) Basic EPS equals profit attributable to Shareholders divided by the weighted average number of shares.

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Scenario 2: Purchases made entirely out of capital and held as treasury shares

	Group			
	Market Purchase		Off-Market Purchase	
(\$'000) As at 30 June 2018	Before Share Buy back	After Share Buy back	Before Share Buy back	After Share Buy back
Share capital	17,676	17,676	17,676	17,676
NTA ¹	27,587	24,116	27,587	23,615
Current assets	60,435	58,700	60,435	58,449
Current liabilities	50,765	52,501	50,765	52,751
Working capital	9,670	6,199	9,670	5,698
Total borrowings ²	23,991	25,727	23,991	25,977
Cash and bank balances ²	3,384	1,649	3,384	1,398
Number of shares issued ('000)	185,625	185,625	185,625	185,625
FY2018				
Profit attributable to Shareholders (\$'000)	592	592	592	592
Weighted average number of shares ³ (\$'000)	177,277	158,715	177,277	158,715
Financial ratios				
NTA per share ⁴ (cents)	14.86	12.99	14.86	12.72
Current ratio ⁵ (times)	1.19	1.12	1.19	1.11
Basic EPS ⁶ (cents)	0.33	0.37	0.33	0.37

Notes:-

- (1) NTA equals total assets less intangible assets and total liabilities.
- (2) For illustrative purpose only, it is assumed that the purchase of 18,562,500 Shares was 50.00% funded by internal resources and 50.00% by borrowings.
- (3) For the purpose of computing weighted average number of shares, it is assumed that the purchase of 18,562,500 Shares was on 1 July 2017.
- (4) NTA per share is computed based on the NTA divided by the number of shares issued as at 30 June 2018.
- (5) Current ratio represents the ratio of current assets to current liabilities.
- (6) Basic EPS equals profit attributable to Shareholders divided by the weighted average number of shares.

Shareholders should note that the financial effects set out herein are purely for illustrative purposes only. In particular, it is important to note that the analysis herein is based on the audited consolidated financial statements of the Company and the Group for FY2018 and is not necessarily representative of future financial performance.

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Although the Share Buy Back Mandate would authorise the Company to purchase or acquire up to ten per cent. (10%) of its total number of issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent. (10%) of its total number of issued Shares. In addition, the Company may cancel, or hold as treasury shares, all or part of the Shares purchased or acquired.

6.8. Taxation

Shareholders who are in doubt as to their respective tax positions or any such tax implications arising from the Proposed Adoption of the Share Buy Back Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisors.

6.9. Interested Persons

The Company is prohibited from knowingly buying Shares on Catalist from an interested person, that is, a Director, the chief executive officer 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.

6.10. Reporting Requirements under the Companies Act

Within 30 days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

Within 30 days of a purchase of Shares on Catalist or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including, *inter alia*, details of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled or held as treasury shares, the Company's issued ordinary share capital before and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form as required by ACRA.

6.11. Catalist Rules

Rule 723 of the Catalist Rules require a listed company to ensure that at least ten per cent. (10%) of its shares are at all times held by public Shareholders. The "public", as defined under the Catalist Rules, are persons other than the Directors, chief executive officer, substantial shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the Associates of such persons.

As at the Latest Practicable Date, approximately 29.07% of the issued share capital of the Company are held in the hands of the public. Assuming that the Company repurchased the maximum of 10% of its issued share capital as at the Latest Practicable Date from members of the public by way of a Market Purchase, the percentage of Shares held by the public would be approximately 21.18%.

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Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full ten per cent. (10%) pursuant to the Share Buy Back Mandate without affecting the listing status of the Shares on Catalist, 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.

Under the Catalist Rules, a listed company may only purchase shares by way of a market acquisition at a price which is not more than 5% above the average closing market price. The term average closing market price is defined as the average of the closing market prices of shares over the last 5 Market Days, on which transactions in the shares were recorded, before the day on which purchases are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in section 6.3.4 of this Circular, conforms to this restriction.

Additionally, the Catalist Rules also specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

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

Such announcement shall include, *inter alia*, details of the total number of Shares authorised for purchase, the date of purchase, the total number of Shares purchased, the price paid per Share or (in the case of Market Purchases) the price paid per Share or the highest price and lowest price paid per Share, the total consideration (including stamp duties, clearing charges, etc) paid for the Shares and the number of issued Shares after purchase, in the form prescribed under the Catalist Rules.

While the Catalist Rules does not expressly prohibit any purchase of shares by a listed company during any particular time, 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 Share Buy Back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced.

Further, in conformity with the best practices on dealing with securities under the Catalist Rules, the Company will not purchase or acquire any Shares through Market Purchases during the period commencing one (1) month before the announcement of the Company’s half year and full year financial results until after the release of the announcement.

6.12. Shares purchased by the Company

There was no share buy back mandate in force in the last twelve (12) months prior to the Latest Practicable Date. The Company has not purchased or acquired any Shares in the last twelve (12) months immediately preceding the Latest Practicable Date.

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7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders (both direct and deemed) are as follows:

	Direct Interest		Deemed Interest		Total Interests	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors						
Pao Kiew Tee	–	–	–	–	–	–
Phua Lam Soon ⁽²⁾⁽³⁾	14,701,600	7.92	103,273,600	55.64	117,975,200	63.56
Ong Siew Eng ⁽²⁾⁽³⁾	14,873,600	8.01	103,101,600	55.54	117,975,200	63.56
Ng Kok Seng	1,490,000	0.80	–	–	1,490,000	0.80
Foo Shiang Ping	130,000	0.07	–	–	130,000	0.07
Chen Timothy Teck-Leng	–	–	–	–	–	–
Substantial Shareholders (other than Directors)						
Yi Investment Pte Ltd ⁽³⁾	88,400,000	47.62	–	–	88,400,000	47.62
Asian Trust Investment Pte Ltd ⁽⁴⁾	1,112,500	0.60	8,400,000	4.53	9,512,500	5.12
Pai Keng Pheng ⁽⁵⁾	–	–	9,512,500	5.12	9,512,500	5.12
Pai Kheng Hian ⁽⁶⁾	–	–	9,512,500	5.12	9,512,500	5.12

Notes:–

- (1) Based on 185,625,000 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Our CEO, Phua Lam Soon, is the spouse of our Executive Director, Ong Siew Eng. Accordingly, Phua Lam Soon is deemed to be interested in 14,873,600 Shares held by Ong Siew Eng and Ong Siew Eng is deemed to be interested in 14,701,600 Shares held by Phua Lam Soon.
- (3) Yi Investment Pte. Ltd. is an investment holding company incorporated in the Republic of Singapore. The shareholders of Yi Investment Pte. Ltd. are our CEO, Phua Lam Soon (50.00%) and our Executive Director, Ong Siew Eng (50.00%). Accordingly, Phua Lam Soon and Ong Siew Eng are deemed to be interested in 88,400,000 Shares held by Yi Investment Pte. Ltd.
- (4) The deemed interest of Asian Trust Investment Pte Ltd is held through a custodian account with UOB Kay Hian Pte Ltd.
- (5) Pai Keng Pheng holds 50.0% shareholding interests in Asian Trust Investment Pte Ltd and is therefore deemed interested in 9,512,500 Shares held by Asian Trust Investment Pte Ltd.
- (6) Pai Kheng Hian holds 50.0% shareholding interests in Asian Trust Investment Pte Ltd and is therefore deemed interested in 9,512,500 Shares held by Asian Trust Investment Pte Ltd.

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Saved as disclosed in this Circular, other than through their respective shareholdings in the Company, none of the Directors or Controlling Shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company) in the Proposed Resolutions.

8. DIRECTORS' RECOMMENDATIONS

8.1. In respect of:

- (i) **The proposed adoption of the Scheme (Ordinary Resolution 1);**
- (ii) **The proposed grant of Options under a discount in the Scheme (Ordinary Resolution 2);**

All Directors of the Company are eligible to participate in the Scheme. As a result, they have abstained from making any recommendations to Shareholders in respect of the Ordinary Resolutions 1 and 2 relating to the above to be proposed at the EGM.

8.2. In respect of:

- (i) **The proposed participation by Mr Phua Lam Soon and Ms Ong Siew Eng, Controlling Shareholders, in the Scheme (Ordinary Resolutions 3 and 5, respectively);**
- (ii) **The proposed grant of Options to Mr Phua Lam Soon and Ms Ong Siew Eng, Controlling Shareholders, under the Scheme (Ordinary Resolutions 4 and 6, respectively);**

Due to the interest of Mr Phua Lam Soon and Ms Ong Siew Eng in their proposed participation in the Scheme and the proposed grant of Options under the Scheme to each of them, both Mr Phua Lam Soon and Ms Ong Siew Eng have abstained from making any recommendation to Shareholders in respect of the Ordinary Resolutions 3 to 6 relating to the above to be proposed at the EGM.

Other than Mr Phua Lam Soon and Ms Ong Siew Eng, the Directors are of the opinion that the proposed participation by Mr Phua Lam Soon and Ms Ong Siew Eng in the Scheme, and the proposed grant of Options to both of them under the Scheme, are in the best interests of the Company. Accordingly, the Directors (other than Mr Phua Lam Soon and Ms Ong Siew Eng) recommend that Shareholders vote in favour of Ordinary Resolutions 3, 4, 5 and 6 at the EGM.

8.3. The Proposed Adoption of the Share Buy Back Mandate

The Directors are of the opinion that the Proposed Adoption of the Share Buy Back Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 7 relating to the Proposed Adoption of the Share Buy Back Mandate at the EGM.

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9. ADVICE TO SHAREHOLDERS

Shareholders are advised to read this Circular in its entirety and, for those who may require advice in the context of their specific investments, to consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

In compliance with its continuing listing obligations under the Catalist Rules, the Company will also be announcing, from time to time, material information relating to the Company. As such, the Shareholders are also advised to refer to such announcements when considering the Proposed Resolutions to be tabled at the EGM.

10. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 72 to 76 of this Circular, will be held at 24 Kranji Road, Singapore 739465, on 29 October 2018 at 4 p.m. at (or as soon as practicable thereafter following the conclusion or adjournment of the AGM of the Company to be held at 3 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing, with or without modification the resolutions set out in the Notice of EGM.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the Proxy Form attached to the Notice of EGM 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 24 Kranji Road, Singapore 739465, not later than 48 hours before the time fixed for holding the EGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM, if he wishes to do so, in place of his proxy. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the EGM.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP not less than 72 hours before the time fixed for the EGM or any adjournment thereof.

12. ABSTENTION FROM VOTING

12.1 Ordinary Resolutions 1, 2, 3, 4, 5 and 6

All shareholders who are eligible to participate in the Scheme must abstain from voting on all the resolutions relating to the Scheme (being Ordinary Resolutions 1, 2, 3, 4, 5 and 6) at the EGM, and should not accept nominations as proxies unless specific instructions have been given in the proxy instruments by the Shareholders appointing them on how they wish their votes to be cast.

Yi Investment Pte Ltd, an Associate of Mr Phua Lam Soon and Ms Ong Siew Eng, shall abstain from voting on Ordinary Resolutions 1, 2, 3, 4, 5 and 6 to be proposed at the EGM. It shall also decline to accept any appointment as proxy for any Shareholder to vote in respect of each such resolution unless the Shareholder concerned has given instructions in his/her proxy form as to the manner in which his/her votes are to be cast in respect of each such resolution.

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12.2 Ordinary Resolution 7

No party is required to abstain from voting on Ordinary Resolution 7 in relation to the Proposed Adoption of the Share Buy Back Mandate.

13. DIRECTORS' RESPONSIBILITY STATEMENT

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

14. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 24 Kranji Road, Singapore 739465 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for the FY2018; and
- (c) the Rules of the Scheme.

Yours faithfully

For and on behalf of the Board of Directors of
BOLDTEK HOLDINGS LIMITED

Phua Lam Soon
Chief Executive Officer

APPENDIX 1 – PROPOSED RULES OF THE BOLDTEK EMPLOYEE SHARE OPTION SCHEME

1. BOLDTEK GROUP EMPLOYEE SHARE OPTION SCHEME

The Boldtek Employee Share Option Scheme shall mean the employee share option scheme herein, as modified or altered from time to time and shall be referred to as the Scheme.

2. DEFINITIONS

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

- “Act” or “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
- “Adoption Date”** : The date on which the Scheme is adopted by the Company in general meeting
- “Associate”** : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:–
- (i) his Immediate family;
 - (ii) the trustees of any trust of which he or his Immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his Immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Auditors”** : The auditors of the Company for the time being
- “Board”** : The board of Directors of the Company for the time being

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“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	Section B of the listing manual of SGX-ST, as amended, supplemented or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	Boldtek Holdings Limited
“Constitution”	:	The memorandum and articles of association of the Company or other regulations of the Company for the time being in force
“Controlling Shareholder”	:	<p>A person who:</p> <p>(a) holds directly or indirectly 15% or more of the total votes attached to all voting Shares of the Company; or</p> <p>(b) (subject to the SGX-ST determining that such a person is not a controlling shareholder) in fact exercises control over the Company</p>
“CPF”	:	Central Provident Fund
“Date of Grant”	:	In relation to an Option, the date on which the Option is granted to a Participant pursuant to Rule 7 of the Scheme
“Director(s)”	:	A person holding office as a director for the time being of the Company or its Subsidiaries, as the case may be
“Discount Option”	:	Has the same meaning as ascribed in Rule 9 of the Scheme
“Employee”	:	An employee of the Group (including any Director) selected by the ESOS Committee to participate in the Scheme in accordance with Rule 4 of the Scheme
“ESOS Committee”	:	the committee designated to administer the Scheme, shall be the Remuneration Committee of the Company

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“Executive Director”	:	A Director of the Company and/or its Subsidiaries, as the case may be, who performs an executive function within the Company or the relevant Subsidiary, as the case may be
“Exercise Period”	:	<p>The period during which an Option is exercisable being:–</p> <p>(a) in the case of a Market Price Option, a period commencing after the 1st anniversary of the Date of Grant and expiring on the 10th anniversary of such Date of Grant; and</p> <p>(b) in the case of a Discount Option, a period commencing after the 2nd anniversary of the Date of Grant and expiring on the 10th anniversary of such Date of Grant,</p> <p>subject as provided in Rules 11 and 15 of the Scheme and any other conditions as may be introduced by the ESOS Committee from time to time</p>
“Exercise Price”	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 9.1(i) of the Scheme in relation to a Market Price Option or Rule 9.1(ii) of the Scheme in relation to a Discount Option, as adjusted in accordance with Rule 10 of the Scheme
“Financial Year”	:	Each period, at the end of which the accounts of the Company are prepared and audited, for the purpose of laying the same before an annual general meeting of the Company
“Group”	:	The Company and its subsidiaries, collectively
“Immediate family”	:	In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent
“Market Day”	:	A day on which the SGX-ST is open for trading in securities

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“Market Price”	:	The price equal to the average of the last dealt prices for a Share, as determined by reference to the daily official list or other publication published by the SGX-ST for five (5) consecutive Market Days on which Shares of the Company are traded on the SGX-ST immediately preceding the relevant Date of Grant, rounded to the nearest one decimal place (in cents) in the event of fractional prices
“Market Price Option”	:	Has the same meaning as ascribed in Rule 9 of the Scheme
“New Shares”	:	For the purpose of the Scheme, means the new Shares which may be allotted and issued from time to time pursuant to the exercise of the Options granted under the Scheme
“Non-Executive Director”	:	A Director of the Group, other than Executive Directors and including the independent Directors, who does not perform an executive function within the Group
“Option”	:	A Market Price Option and/or a Discount Option, as the case may be
“Record Date”	:	The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions (as the case may be)
“Rules” or “Rules of the Scheme”	:	The Rules of the Scheme, as may be modified or amended from time to time and any reference to a particular Rule shall be construed accordingly
“Scheme”	:	The Boldtek Employee Share Option Scheme, as the same may be modified or amended from time to time
“Scheme Participant”	:	A person who is selected by the ESOS Committee to participate in the Scheme in accordance with the rules thereof
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the depositors whose securities accounts are credited with the Shares

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“Share(s)”	:	Ordinary share(s) in the capital of the Company
“Sponsor”	:	PrimePartners Corporate Finance Pte. Ltd.
“Substantial Shareholder”	:	A person who has an interest (directly or indirectly) in 5% or more of the total votes attached to all voting Shares of the Company
“Vesting Schedule”	:	In relation to an Option, a schedule for the vesting and the exercise of the Shares comprised in the Option during the Exercise Period in relation to that Option as determined by the ESOS Committee on the Date of Grant of that Option
“S\$” and “cents”	:	Singapore dollars and cents, respectively

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

The term “**treasury shares**” shall have the meaning ascribed to it in Section 4 of the Companies Act.

The term “**subsidiary**” shall have the meaning ascribed to it under Section 5 of the Companies Act.

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

Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in the Scheme shall, where applicable, have the same meaning assigned to it under the Companies Act.

Any reference in the Scheme to a time of day shall be a reference to Singapore time unless otherwise stated.

3. OBJECTIVES OF THE SCHEME

- 3.1. The Scheme will provide an opportunity for Scheme Participants who have contributed significantly to the growth and performance of the Group and satisfy the eligibility criteria as set out in Rule 4 of the Scheme, to participate in the equity of the Company.

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- 3.2. The Scheme is primarily a share incentive scheme. It recognises the fact that the services of such Scheme Participants are important to the success and continued well-being of the Group. Implementation of the Scheme will enable the Company to give recognition to the contributions made by such Scheme Participants. At the same time, it will give such Scheme Participants an opportunity to have a direct interest in the Company and will also help to achieve the following positive objectives:
- (i) to motivate Scheme Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
 - (ii) to retain key employees whose contributions are important to the long-term growth and profitability of the Group;
 - (iii) to instil loyalty and a stronger sense of identification by the Scheme Participants with the long-term prosperity of the Group;
 - (iv) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders;
 - (v) to reward employees for their contribution to the Group; and
 - (vi) to align the interests of the Scheme Participants with the interests of the Shareholders.

4. ELIGIBILITY OF PARTICIPANTS

- 4.1. Any of the following persons shall be eligible to participate in the Scheme:–

- (i) Employees who are confirmed full-time employees of the Company and/or its Subsidiaries who have attained the age of 21 years on or before the Date of Grant;
- (ii) Directors (including Non-Executive Directors) of the Company and/or its Subsidiaries; and
- (iii) Controlling Shareholders and/or their Associates, who meet the criteria in Rules 4.1(i) or 4.1(ii) above,

who, in the opinion of the ESOS Committee, have contributed or will contribute to the success of the Group.

- 4.2. Persons who are Controlling Shareholders and/or Associates of Controlling Shareholders who meet the criteria in Rules 4.1(i) or 4.1(ii) above are also eligible to participate in the Scheme provided that the participation of and the actual number of Shares to be issued to them and the terms of any Option to be granted to each Controlling Shareholder or Associate of Controlling Shareholder shall be approved by independent Shareholders in separate resolutions for each such person subject to the following:–

- (i) the aggregate number of Shares which may be offered by way of grant of Options to Scheme Participants who are Controlling Shareholders and Associates of Controlling Shareholders under the Scheme shall not exceed 25% of the total number of Shares available under the Scheme; and

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- (ii) the number of Shares available to each Controlling Shareholder or Associate of a Controlling Shareholder shall not exceed 10% of the total number of Shares available under the Scheme.

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

4.4. Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the ESOS Committee, which would be exercised judiciously.

5. MAXIMUM ENTITLEMENT

Subject to Rule 4 and Rule 10 of the Scheme:–

5.1. in determining the eligibility of the Employees and Executive Directors to participate in the Scheme and the number of Shares comprised in Market Price Options or, as the case may be, Discount Options, to be offered in accordance with the Scheme, the ESOS Committee will take into account criteria such as the grade level, seniority, level of responsibility, years of service, performance evaluation, the potential for future development and their respective contributions to the growth, success and development of the Group. In certain circumstances, the ESOS Committee shall also take into consideration the performance targets met by an eligible Employee or an Executive Director while determining the extent of the participation of that Employee or Executive Director in the Scheme. Examples of performance targets which will be considered by the ESOS Committee include targets based on criteria such as total shareholders' return, economic value added, market share, market ranking, profitability, return on sales and successful completion of a project; and

5.2. in determining the eligibility of the Non-Executive Directors and Controlling Shareholders to participate in the Scheme and the number of Shares comprised in Market Price Options or, as the case may be, Discount Options, to be offered in accordance with the Scheme, the ESOS Committee will take into account criteria such as the services and the contributions made by such Non-Executive Director or Controlling Shareholder to the growth, success and development of the Group.

6. SIZE OF THE SCHEME

6.1. The aggregate number of Shares over which the ESOS Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of:

- (i) all Options granted under the Scheme; and

- (ii) all options or awards granted under any other incentive schemes or share plan adopted by the Company and for the time being in force;

shall not exceed fifteen per cent. (15%) of the total issued Shares of the Company (excluding treasury shares and subsidiary shareholdings) on the day immediately preceding the relevant date of Grant of Options.

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

7. DATE OF GRANT

- 7.1. The ESOS Committee may, save as provided in Rule 4, Rule 5 and Rule 6 above, offer to grant Options to such Scheme Participant as it may select in its absolute discretion at any time during the period when the Scheme is in force, except that, for so long as the Shares are listed and quoted on the SGX-ST, no Options shall be granted during the period of one (1) month immediately preceding the date of announcement of the Company's interim and/or full year results (whichever the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, offers to grant Options may only be made on or after the second (2nd) Market Day on which such announcement is released.
- 7.2. The ESOS Committee shall decide, in its absolute discretion, whether to grant a Market Price Option or a Discount Option, the rate of discount for each Discount Option and whether such Options are to be granted subject to conditions and if so, what the applicable conditions are. The letter of offer to grant the Option (the "**Letter of Offer**") shall be in, or substantially in, the form set out in Appendix 1.1(a) (in relation to a Market Price Option) or in the form set out in Appendix 1.1(b) (in relation to a Discount Option), subject in each case to such modification as the ESOS Committee may from time to time determine.

8. ACCEPTANCE OF OFFER

- 8.1. An Option offered to a Scheme Participant pursuant to Rule 7 may only be accepted by the Scheme Participant within thirty (30) days after the relevant Date of Grant and not later than 5.00 p.m. on the 30th day from such Date of Grant:–
- (i) by completing, signing and returning to the Company the acceptance form in or substantially in the form set out in Appendix 1.2(a) (in relation to a Market Price Option) or in the form set out in Appendix 1.2(b) (in relation to a Discount Option) (the "**Acceptance Form**"), subject in each case to such modification as the ESOS Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration; and
 - (ii) if, at the date on which the Company receives from the Scheme Participant the relevant Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with these Rules.
- 8.2. If a grant of Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the thirty (30) day period, automatically lapse and shall forthwith be deemed to be null and void and of no effect.
- (i) The ESOS Committee shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or any Exercise Notice given pursuant to Rule 12 which does not strictly comply with the terms of the Scheme;

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- (ii) Options are personal to the Scheme Participant to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed or encumbered in whole or in part or in any way whatsoever without the ESOS Committee's prior written approval, but may be exercised by the Scheme Participant's duly appointed personal representative as provided in Rule 11.5 in the event of the death of such Scheme Participant;
- (iii) The Scheme Participant may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Scheme Participant shall accept the offer in multiples of 100 Shares;
- (iv) In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and of no effect and the relevant Scheme Participant shall have no claim whatsoever against the Company; and
- (v) Unless the ESOS Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:–
 - (a) it is not accepted in the manner as provided in Rule 8.1 within the thirty (30) day period; or
 - (b) the Scheme Participant dies prior to his acceptance of the Option; or
 - (c) the Scheme Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
 - (d) the Scheme Participant being an Employee ceases to be in the employment of the Group for any reason whatsoever prior to his acceptance of the Option; or
 - (e) the Company is liquidated or wound-up prior to the Scheme Participant's acceptance of the Option.

9. EXERCISE PRICE

- 9.1. Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the ESOS Committee, at its absolute discretion, on the Date of Grant, at:–
- (i) a price equal to the Market Price ("**Market Price Option**"); or
 - (ii) a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed 20% of the Market Price ("**Discount Option**").

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- 9.2. In making any determination under Rule 9.1(ii) on whether to give a discount and the quantum of such discount, the ESOS Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:–
- (i) the performance of the Company and/or the Group, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;
 - (ii) the years of service and individual performance (including the meeting of performance targets) of the eligible Employees or Directors (including those who are Controlling Shareholders or Associates of Controlling Shareholders);
 - (iii) the contribution of the eligible Employees or Directors (including those who are Controlling Shareholders or Associates of Controlling Shareholders) to the success and development of the Company and/or the Group; and
 - (iv) the prevailing market and economic conditions.

10. VARIATION OF CAPITAL

- 10.1. If a variation in the number of issued Shares of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, subdivision, consolidation or distribution, or otherwise howsoever) should take place, then:–
- (a) the Exercise Price in respect of the Shares, class and/or number of Shares comprised in the Options to the extent unexercised and the rights attached thereto; and
 - (b) the class and/or number of Shares in respect of which additional Options may be granted to Scheme Participants,

may be adjusted in such manner as the ESOS Committee may determine to be appropriate but not permitting retrospective adjustments where such variation occurs after the date of exercise of an Option by the Record Date relating to such variation precedes such date of exercise.

- 10.2. Notwithstanding the provisions of Rule 10.1 above,
- (i) the adjustment must be made in such a way that a Scheme Participant will not receive a benefit that a Shareholder does not receive;
 - (ii) the adjustment will not result in the number of Shares comprised in an Option, together with new Shares to be issued or issuable under the Scheme, to exceed 15% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) for the time being; and
 - (iii) the adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

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10.3. For the avoidance of doubt, the following events shall not normally be regarded as a circumstance requiring adjustment:–

- (i) the issue of securities as consideration for an acquisition or a private placement of securities; or
- (ii) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share buy back mandate granted by Shareholders of the Company (including any renewal of such mandate) is in force,
- (iii) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees and directors pursuant to the any share option scheme or performance share plan approved by Shareholders in general meeting, including the Scheme;
- (iv) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business; and
- (v) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

10.4. Upon any adjustment required to be made, the Company shall notify each Scheme Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised (including consequent alterations to the Vesting Schedule). Any adjustment shall take effect upon such written notification being given.

11. EXERCISE PERIOD

11.1. Subject as provided in this Rule 11 and Rule 15, a Market Price Option and a Discount Option shall be exercisable, in whole or in part, during the Exercise Period applicable to that Option and subject to and in accordance with the Vesting Schedule and conditions (if any) applicable to that Option.

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

- (i) subject to Rules 11.2, 11.3 and 11.4, upon the Scheme Participant ceasing to be in the employment of the Company or any of the companies within the Group for any reason whatsoever; or
- (ii) upon the bankruptcy of the Scheme Participant or the happening of any other event which result in his being deprived of the legal or beneficial ownership of such Option;
or

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- (iii) in the event of misconduct on the part of the Scheme Participant, as determined by the ESOS Committee at its absolute discretion.

For the purpose of Rule 11.2(i), a Scheme Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

11.3. If a Scheme Participant ceases to be employed by the Group by reason of his:–

- (i) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the ESOS Committee;
- (ii) redundancy;
- (iii) retirement at or after a legal retirement age; or
- (iv) retirement before that age with the consent of the ESOS Committee,

or for any other reason approved in writing by the ESOS Committee, he may, at the absolute discretion of the ESOS Committee exercise any unexercised Option within the relevant Exercise Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.4. If a Scheme Participant ceases to be employed by a Subsidiary:–

- (i) by reason of the Subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such Subsidiary, being transferred otherwise than to another company within the Group; or
- (ii) for any other reason, provided the ESOS Committee gives its consent in writing,

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

11.5. If a Scheme Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the ESOS Committee, be exercised by the duly appointed legal personal representatives of the Scheme Participant within the relevant Exercise Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.6. If a Scheme Participant, who is a Director of the Company, ceases to be a Director for any reason whatsoever, he may, at the absolute discretion of the ESOS Committee, exercise any unexercised Option within the relevant Exercise Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

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12. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

- 12.1. An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), by a Scheme Participant giving notice in writing to the Company in or substantially in the form set out in Appendix 1.3(a) (in relation to a Market Price Option) or in the form set out in Appendix 1.3(b) (in relation to a Discount Option) (collectively referred to as the “**Exercise Notice**”), subject in each case to such amendments as the ESOS Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any), any other applicable administrative or handling fees or charges by the SGX-ST, CDP or agent, and any other documentation the ESOS Committee may require. All payment shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.
- 12.2. Subject to such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST) and subject to the compliance with the Rules and the Constitution; the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within ten (10) Market Days (or such other period as may be permitted by the Catalist Rules) after the date of the exercise of the said Option in accordance with Rule 12.1, do any one or more of the following in relation to the exercise of such Option as it deems fit in its sole and absolute discretion:–
- (i) allot the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the ESOS Committee may deem fit and the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares, if necessary; and/or
 - (ii) transfer existing Shares to the Scheme Participant, whether such existing Shares are held as treasury shares or otherwise.
- 12.3. Shares which are all allotted on the exercise of an Option by a Scheme Participant shall be issued, as the Scheme Participant may elect, in the name of CDP to the credit of the securities account of the Scheme Participant maintained with CDP, or to the Scheme Participant’s securities sub-account with a CDP Depository Agent, or if such securities account is not available, in the name of the Scheme Participant.
- 12.4. Shares allotted and issued upon the exercise of an Option shall be subject to all provisions of the Companies Act and the Constitution (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Shares, including those rights which arise from a liquidation of the Company) and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights, allotments or other distributions, the Record Date for which is prior to the date such Shares are allotted and issued.

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- 12.5. Except as set out in Rule 12.2 and subject to Rule 10, an Option does not confer on a Scheme Participant any right to participate in any new issue of Shares.
- 12.6. Notwithstanding any other Rule of this Scheme to the contrary, and notwithstanding references to subscription, issue and allotment of Shares or New Shares, the Company reserves to itself the right to deliver treasury shares in lieu of New Shares to Scheme Participants upon their exercise of Options.

13. MODIFICATIONS AND ALTERATIONS TO THE SCHEME

- 13.1. Any or all of the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the ESOS Committee, except that:–
- (i) any modification or alteration which shall alter adversely the rights attaching to any Option(s) granted prior to such modification or alteration and which in the opinion of the ESOS Committee, materially alter the rights attaching to any Option(s) granted prior to such modification or alteration may only be made with the consent in writing of such number of Scheme Participants who, if they exercised their Options in full, would thereby become entitled to not less than three quarters (3/4) of the total number of voting rights (or such other requirements as may be prescribed by the SGX-ST) of all the Shares which would be allotted upon exercise in full of all outstanding Options;
 - (ii) any modification or alteration which would be to the advantage of Scheme Participants under the Scheme shall be subject to the prior approval of Shareholders at a general meeting, whereby Shareholders who are also Scheme Participants shall be required to abstain from voting in respect of any resolution relating to such modification or alteration; and
 - (iii) no modification or alteration shall be made without the prior approval of the Sponsor (acting as agent on behalf of the SGX-ST) or the SGX-ST (as the case may be) or (if required) any other stock exchange on which the Shares are quoted and listed, and such other regulatory authorities as may be necessary.

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

- 13.2. Notwithstanding anything to the contrary contained in Rule 13.1, the ESOS Committee may at any time by resolution (and without other formality, save for the prior approval of the Sponsor (acting as agent on behalf of the SGX-ST) or the SGX-ST (as the case may be)) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 13.3. Written notice of any modification or alteration made in accordance with this Rule 13 shall be given to all Scheme Participants.

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14. DURATION OF THE SCHEME

- 14.1. The Scheme shall continue to be in force at the discretion of the ESOS Committee, subject to a maximum period of ten (10) years, commencing on the Adoption Date. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.
- 14.2. The Scheme may be terminated at any time by the ESOS Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.
- 14.3. The termination, discontinuance or expiry of the Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8 above, whether such Options have been exercised (whether fully or partially) or not.

15. TAKE-OVER AND WINDING UP OF THE COMPANY

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

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

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Act and, being entitled to do so, gives notice to the Scheme Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Scheme Participants until such specified date or the expiry of the Exercise Period relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11.2, remain exercisable until the expiry of the Exercise Period.

APPENDIX 1 – PROPOSED RULES OF THE BOLDTEK EMPLOYEE SHARE OPTION SCHEME

- 15.2. If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Scheme Participants (including Scheme Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1) shall notwithstanding Rule 11 and Rule 12, but subject to Rule 15.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of the period of time prescribed by the order of court sanctioning the compromise or arrangement for the lodgement of the order of court with the Accounting and Corporate Regulatory Authority, or where no such period of time is prescribed in the order of court, such period of time prescribed under the Act, or the date upon which the compromise or arrangement become effective, whichever is earlier (but not after the expiry of the Exercise Period relating thereto), whereupon any unexercised Option shall lapse and becomes null and void, provided always that the date of exercise of any Option shall be before the expiry of the Exercise Period.
- 15.3. If an order or an effective resolution is passed for the winding up of the Company on the basis of its insolvency, all Options, to the extent unexercised, at the date such order or restriction shall lapse and become null and void.
- 15.4. In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if though fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date or after it despatches such notice to each member of the Company give notice thereof to all Scheme Participants (together with a notice of the existence of the provisions of this Rule 15.4) and thereupon, each Scheme Participant (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Scheme Participant credited as fully paid.
- 15.5. If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding-up referred to in Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Scheme Participants, whether by the continuation of their Options or the payment of cash or the grant of other Options or otherwise, a Scheme Participant holding an Option, which is not then exercisable, may not, at the discretion of the ESOS Committee, be permitted to exercise that Option as provided for in this Rule 15.
- 15.6. To the extent that an Option is not exercised within the periods referred to in this Rule 15, it shall lapse and become null and void.

APPENDIX 1 – PROPOSED RULES OF THE BOLDTEK EMPLOYEE SHARE OPTION SCHEME

16. ADMINISTRATION OF THE SCHEME

- 16.1. The Scheme shall be administered by the ESOS Committee in its absolute discretion with such powers and duties as may be conferred upon it by the Board provided that a member of the ESOS Committee who is a Scheme Participant shall not be involved in the deliberations of the ESOS Committee in respect of the Options to be granted to him in compliance with the requirements of the Catalyst Rules.
- 16.2. All determinations or actions of the ESOS Committee with respect to the interpretation and/or implementation of the Scheme shall be decided by the affirmative vote of the majority of the members of the ESOS Committee who are not disqualified from participating by virtue of Rule 16.1 or by way of a written instrument signed by the majority of the members of the ESOS Committee who are not disqualified from participating by virtue of Rule 16.1. In the event of a tie, the chairman of the ESOS Committee shall have a second or casting vote.
- 16.3. The ESOS Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.
- 16.4. Any decision of the ESOS Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to the quantum of discount applicable to a Discount Option pursuant to Rule 9.1 or to disputes as to the interpretation of the Scheme or any Rule, regulation, or procedure thereunder or as to any rights under this Scheme).

17. NOTICES

- 17.1. Any notice required to be given by a Scheme Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Scheme Participant in writing.
- 17.2. Any notices or documents required to be given by the Company to a Scheme Participant or any correspondences to be made between the Company and the Participant shall be given or made by the ESOS Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be sent to the Scheme Participant by hand or sent to him at his home address stated in the records of the Company or the last known address of the Scheme Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

18. TERMS OF EMPLOYMENT UNAFFECTED

- 18.1. The Scheme or any Option shall not form part of any contract of employment between the Company or any Subsidiary (as the case may be) and any Scheme Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Scheme or any right which he may have to participate in it or any Option which he may hold and the Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

APPENDIX 1 – PROPOSED RULES OF THE BOLDTEK EMPLOYEE SHARE OPTION SCHEME

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

19. TAXES

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

20. COSTS AND EXPENSES OF THE SCHEME

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

20.2. Save for such costs and expenses expressly provided in the Scheme to be payable by the Scheme Participant, all fees, costs and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Option shall be borne by the Company.

21. CONDITION OF OPTION

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

22. DISCLAIMER OF LIABILITY

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

23. DISCLOSURES IN ANNUAL REPORTS

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

23.1. the names of the members of the ESOS Committee administering the Scheme;

APPENDIX 1 – PROPOSED RULES OF THE BOLDTEK EMPLOYEE SHARE OPTION SCHEME

23.2. the information required in the table below for the following Scheme Participants:

- (i) Scheme Participants who are Directors of the Company;
- (ii) Scheme Participants who are Controlling Shareholders and their Associates;
- (iii) Scheme Participants, other than those in Rules 23.2(i) and 23.2(ii) above who have been granted Options under the Scheme, and where the aggregate number of Shares comprised in such Options granted represent five (5%) or more of the total number of Shares available under the Scheme;

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

23.3. the number and proportion of Options granted at a discount during the Financial Year under review in respect of every ten per cent. (10%) discount range, up to the maximum quantum of 20% discount granted; and

23.4. any other information required to be so disclosed pursuant to the Catalist Rules and all other applicable laws and requirements, provided that if any of the above requirements is not applicable, an appropriate negative statement should be included therein.

24. ABSTENTION FROM VOTING

Scheme Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the Scheme, including (a) adoption of the Scheme; (b) discount quantum; and (c) participation by and Option grant to Controlling Shareholders and their Associates, and should decline appointment as proxies for voting in respect of any of the aforesaid resolutions, unless specific instructions have been given in the proxy form on how the votes are to be cast for each of the aforesaid resolutions.

25. DISPUTES

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

26. GOVERNING LAW

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

**APPENDIX 1 – PROPOSED RULES OF THE BOLDTEK
EMPLOYEE SHARE OPTION SCHEME**

APPENDIX 1.1(a)

**BOLDTEK EMPLOYEE SHARE OPTION SCHEME
LETTER OF OFFER
(MARKET PRICE OPTION)**

Serial No.: _____

PRIVATE AND CONFIDENTIAL

Date:

To: [Name]
[Designation]
[Address]

Dear Sir/Madam

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

Accordingly, an offer is hereby made to grant you a Market Price Option, in consideration of the payment of a sum of S\$1.00, to subscribe for and be allotted _____ Shares at the price of S\$_____ for each Share. The Market Price Option shall be subject to the terms of this Letter of Offer and the Scheme (as the same may be amended or modified from time to time pursuant to the terms and conditions of the Scheme), a copy of which is enclosed herewith.

The Market Price Option shall be exercisable at the relevant times, and in respect of that number of Shares specified, as set out in the Vesting Schedule attached in Part A of this letter.

This Market Price Option is personal to you and may not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever, except with the prior approval of the ESOS Committee.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than _____ a.m./p.m. on _____, failing which this offer shall automatically lapse and shall thereafter be null and void.

Yours faithfully

THE ESOS COMMITTEE
BOLDTEK HOLDINGS LIMITED
BOLDTEK EMPLOYEE SHARE OPTION SCHEME

Name:
Designation:

APPENDIX 1 – PROPOSED RULES OF THE BOLDTEK EMPLOYEE SHARE OPTION SCHEME

Part A

Vesting Schedule

Subject to the Scheme and to the terms of the accompanying letter of offer, the Market Price Option may normally be exercised, during the Exercise Period, at the following times and in the following manner:–

Period	Percentage of Shares over which the Market Price Option is exercisable
Before the first anniversary of the Date of Grant	: Nil
Between the first anniversary and the second anniversary of the Date of Grant	: _____%
Between the second anniversary and the third anniversary of the Date of Grant	: _____%
Between the third anniversary and the fourth anniversary of the Date of Grant	: _____%
After the fourth anniversary and up to the tenth anniversary of the Date of Grant	: _____%

In relation to the Market Price Option, if the Scheme Participant, during any of the periods specified above, exercises that Market Price Option for such number of Shares which in aggregate represents less than the number of Shares for which the Scheme Participant may exercise in respect of such period, the balance of the Shares comprised in that Market Price Option for which the Scheme Participant could have exercised (but did not exercise) in that period shall be carried forward and added to the number of Shares (but shall not be taken into account in determining the number of Shares) in respect of which the Scheme Participant may exercise in the next succeeding period or periods.

**APPENDIX 1 – PROPOSED RULES OF THE BOLDTEK
EMPLOYEE SHARE OPTION SCHEME**

APPENDIX 1.1(b)

**BOLDTEK EMPLOYEE SHARE OPTION SCHEME
LETTER OF OFFER
(DISCOUNT OPTION)**

Serial No.: _____

PRIVATE AND CONFIDENTIAL

Date:

To: [Name]
[Designation]
[Address]

Dear Sir/Madam

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

Accordingly, an offer is hereby made to grant you a Discount Option, in consideration of the payment of a sum of S\$1.00, to subscribe for and be allotted _____ Shares at the discounted price of S\$_____ for each Share (being the subscription price of S\$ less a discount of _____%). The Discount Option shall be subject to the terms of this Letter of Offer and the Scheme (as the same may be amended or modified from time to time pursuant to the terms and conditions of the Scheme), a copy of which is enclosed herewith.

The Discount Option shall be exercisable at the relevant times, and in respect of that number of Shares specified, as set out in the Vesting Schedule attached in Part A of this letter.

This Discount Option is personal to you and may not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever, except with the prior approval of the ESOS Committee.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than _____ a.m./p.m. on _____, failing which this offer shall automatically lapse and shall thereafter be null and void.

Yours faithfully

THE ESOS COMMITTEE
BOLDTEK HOLDINGS LIMITED
BOLDTEK EMPLOYEE SHARE OPTION SCHEME

Name:
Designation:

**APPENDIX 1 – PROPOSED RULES OF THE BOLDTEK
EMPLOYEE SHARE OPTION SCHEME**

Part A

Vesting Schedule

Subject to the Scheme and to the terms of the accompanying letter of offer, the Discount Option may normally be exercised, during the Exercise Period, at the following times and in the following manner:–

Period	Percentage of Shares over which the Discount Option is exercisable
Before the second anniversary of the Date of Grant	: Nil
Between the second anniversary and the third anniversary of the Date of Grant	: _____%
Between the third anniversary and the fourth anniversary of the Date of Grant	: _____%
Between the fourth anniversary and the tenth anniversary of the Date of Grant	: _____%

In relation to the Discount Option, if the Scheme Participant, during any of the periods specified above, exercises that Discount Option for such number of Shares which in aggregate represents less than the number of Shares for which the Scheme Participant may exercise in respect of such period, the balance of the Shares comprised in that Discount Option for which the Scheme Participant could have exercised (but did not exercise) in that period shall be carried forward and added to the number of Shares (but shall not be taken into account in determining the number of Shares) in respect of which the Scheme Participant may exercise in the next succeeding period or periods.

**APPENDIX 1 – PROPOSED RULES OF THE BOLDTEK
EMPLOYEE SHARE OPTION SCHEME**

APPENDIX 1.2(a)

**BOLDTEK EMPLOYEE SHARE OPTION SCHEME
ACCEPTANCE FORM
(MARKET PRICE OPTION)**

Serial No.: _____

PRIVATE AND CONFIDENTIAL

To: The ESOS Committee
Boldtek Employee Share Option Scheme
Boldtek Holdings Limited
24 Kranji Road
Singapore 739465

Closing Date and Time for Acceptance of Offer : _____

No. of Shares in respect of which Market Price
Option is offered : _____

Exercise Price per Share : S\$ _____

Total Amount Payable on Acceptance of Market
Price Option (exclusive of the relevant CDP
charges) : S\$ _____

I have read your Letter of Offer dated _____ (“**Date of Grant**”) and agree to be bound by the terms thereof and of the Rules of the Boldtek Employee Share Option Scheme referred to therein.

I hereby accept the Market Price Option to subscribe for _____ Shares at S\$_____ for each Share and enclose *cash/bank draft/cashier’s order/postal order no. _____ for S\$_____ being payment for the acceptance of the Market Price Option.

I acknowledge that the Market Price Option shall be exercisable at the relevant times and in respect of that number of Shares specified, as set out in the Vesting Schedule attached in Part A of the Letter of Offer.

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

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

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

**APPENDIX 1 – PROPOSED RULES OF THE BOLDTEK
EMPLOYEE SHARE OPTION SCHEME**

I acknowledge and confirm that I shall be responsible for all the fees of CDP (if any) relating to or in connection with the allotment and issue of any Shares in CDP's name, to the credit of my securities account with CDP or my securities sub-account with a Depository Agent (as the case may be) (collectively, the "**CDP Charges**").

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

PLEASE PRINT IN BLOCK LETTERS

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

* Delete accordingly

Notes:-

1. Options must be accepted in full or in multiples of 100 Shares.
2. The Acceptance Form must be forwarded to the ESOS Committee in a sealed envelope marked "Private and Confidential".
3. The Scheme Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of the Market Price Option.

**APPENDIX 1 – PROPOSED RULES OF THE BOLDTEK
EMPLOYEE SHARE OPTION SCHEME**

APPENDIX 1.2(b)

**BOLDTEK EMPLOYEE SHARE OPTION SCHEME
ACCEPTANCE FORM
(DISCOUNT OPTION)**

Serial No.: _____

PRIVATE AND CONFIDENTIAL

To: The ESOS Committee
Boldtek Employee Share Option Scheme
Boldtek Holdings Limited
24 Kranji Road
Singapore 739465

Closing Date and Time for Acceptance of Offer : _____

No. of Shares in respect of which Discount
Option is offered : _____

Exercise Price per Share : S\$ _____

Total Amount Payable on Acceptance of Discount
Option (exclusive of the relevant CDP charges) : S\$ _____

I have read your Letter of Offer dated _____ (“**Date of Grant**”) and agree to be bound by the terms thereof and of the Rules of the Boldtek Employee Share Option Scheme referred to therein.

I hereby accept the Discount Option to subscribe for _____ Shares at S\$_____ for each Share and enclose *cash/bank draft/cashier’s order/postal order no. _____ for S\$_____ being payment for the acceptance of the Discount Option.

I acknowledge that the Discount Option shall be exercisable at the relevant times and in respect of that number of Shares specified, as set out in the Vesting Schedule attached in Part A of the Letter of Offer.

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

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

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

**APPENDIX 1 – PROPOSED RULES OF THE BOLDTEK
EMPLOYEE SHARE OPTION SCHEME**

I acknowledge and confirm that I shall be responsible for all the fees of CDP (if any) relating to or in connection with the allotment and issue of any Shares in CDP's name, to the credit of my securities account with CDP or my securities sub-account with a Depository Agent (as the case may be) (collectively, the "CDP Charges").

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

PLEASE PRINT IN BLOCK LETTERS

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

* Delete accordingly

Notes:-

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

**APPENDIX 1 – PROPOSED RULES OF THE BOLDTEK
EMPLOYEE SHARE OPTION SCHEME**

APPENDIX 1.3(a)

**BOLDTEK EMPLOYEE SHARE OPTION SCHEME
EXERCISE NOTICE
(MARKET PRICE OPTION)**

Serial No.: _____

PRIVATE AND CONFIDENTIAL

To: The ESOS Committee
Boldtek Employee Share Option Scheme
Boldtek Holdings Limited
24 Kranji Road
Singapore 739465

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

Number of Shares previously allotted and issued
thereunder :

Outstanding balance of Shares to be allotted and
issued thereunder :

Number of Shares now to be subscribed :

1. Pursuant to your Letter of Offer dated _____ (“**Date of Grant**”) and my acceptance thereof, I hereby exercise the Market Price Option to subscribe for the abovementioned Shares in Boldtek Holdings Limited (the “**Company**”) at the price of S\$_____ per Share.
2. I enclose a *cheque/cashier’s order/bank draft/postal order no. for S\$_____ in payment for the subscription of the total number of the said Shares and the CDP charges of S\$_____.
3. I agree to subscribe for the Shares subject to the terms of the Letter of Offer, the Boldtek Employee Share Option Scheme (as the same may be amended or modified pursuant to the terms thereof from time to time) and the Constitution of the Company.
4. I declare that I am subscribing for the Shares for myself and not as a nominee for any other person.
5. I hereby request the Company to allot and issue the number of Shares specified in paragraph 1 above in the name of The Central Depository (Pte) Limited (“**CDP**”) to the credit of my *Securities Account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.

**APPENDIX 1 – PROPOSED RULES OF THE BOLDTEK
EMPLOYEE SHARE OPTION SCHEME**

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

*Direct Securities
Account No. OR : _____

*Sub-Account No. : _____

Name of Depository
Agent OR : _____

*CPF Investment
Account No. : _____

Name of Agent Bank : _____

Signature : _____

Date : _____

*** Delete accordingly**

Notes:–

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

**APPENDIX 1 – PROPOSED RULES OF THE BOLDTEK
EMPLOYEE SHARE OPTION SCHEME**

APPENDIX 1.3(b)

**BOLDTEK EMPLOYEE SHARE OPTION SCHEME
EXERCISE NOTICE
(DISCOUNT OPTION)**

Serial No.: _____

PRIVATE AND CONFIDENTIAL

To: The ESOS Committee
Boldtek Employee Share Option Scheme
Boldtek Holdings Limited
24 Kranji Road
Singapore 739465

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

Number of Shares previously allotted and issued
thereunder :

Outstanding balance of Shares to be allotted and
issued thereunder :

Number of Shares now to be subscribed :

1. Pursuant to your Letter of Offer dated _____ (“**Date of Grant**”) and my acceptance thereof, I hereby exercise the Discount Option to subscribe for the abovementioned Shares in Boldtek Holdings Limited (the “**Company**”) at the discounted price of S\$_____ per Share.
2. I enclose a *cheque/cashier’s order/bank draft/postal order no. for S\$_____ in payment for the subscription of the total number of the said Shares and the CDP charges of S\$_____.
3. I agree to subscribe for the Shares subject to the terms of the Letter of Offer, the Boldtek Employee Share Option Scheme (as the same may be amended or modified pursuant to the terms thereof from time to time) and the Constitution of the Company.
4. I declare that I am subscribing for the Shares for myself and not as a nominee for any other person.
5. I hereby request the Company to allot and issue the number of Shares specified in paragraph 1 above in the name of The Central Depository (Pte) Limited (“**CDP**”) to the credit of my *Securities Account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.

**APPENDIX 1 – PROPOSED RULES OF THE BOLDTEK
EMPLOYEE SHARE OPTION SCHEME**

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

*Direct Securities
Account No. OR : _____

*Sub-Account No. : _____

Name of Depository
Agent OR : _____

*CPF Investment
Account No. : _____

Name of Agent Bank : _____

Signature : _____

Date : _____

*** Delete accordingly**

Notes:–

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

BOLDTEK HOLDINGS LIMITED

(Company Registration No. 201224643D)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Boldtek Holdings Limited (the “**Company**”) will be held at 24 Kranji Road, Singapore 739465 on 29 October 2018 at 4 p.m. (or as soon as practicable thereafter following the conclusion or adjournment of the Annual General Meeting (“**AGM**”) of the Company to be held at 3 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

*All capitalised terms in this Notice of EGM which are not defined herein shall have the same meanings ascribed to them in the circular dated 10 October 2018 (the “**Circular**”) to the Shareholders of the Company.*

ORDINARY RESOLUTION 1

THE PROPOSED ADOPTION OF THE BOLDTEK EMPLOYEE SHARE OPTION SCHEME

THAT:–

- (a) the share option scheme to be known as the “Boldtek Employee Share Option Scheme” (“**Scheme**”), particulars of which are set out in the Circular, under which options (“**Options**”) to subscribe for ordinary shares (“**Shares**”) in the capital of the Company will be granted to selected Employees and Directors (including Non-Executive Directors) of the Company and its Subsidiaries and Controlling Shareholders and/or their Associates be approved;
- (b) any and all Directors be and is hereby authorised:–
 - (i) to establish and administer the Scheme;
 - (ii) to modify and/or amend the Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Scheme and to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Scheme;
 - (iii) to offer and grant Options in accordance with the provisions of the Scheme and pursuant to Section 161 of the Companies Act to allot and issue and/or deliver from time to time such number of fully paid-up Shares as may be required to be issued or delivered pursuant to the exercise of Options provided that the aggregate number of Shares available pursuant to the Scheme and any other share-based schemes of the Company, shall not exceed 15% of the total issued Shares of the Company (excluding any treasury shares and subsidiary holdings) on the day immediately preceding the relevant Date of Grant of Options; and
 - (iv) to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this resolution.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 2

THE PROPOSED GRANT OF OPTIONS UNDER THE SCHEME AT A DISCOUNT

THAT subject to and contingent upon the passing of Ordinary Resolution 1 being approved, approval be given for Options to be granted under the Scheme for the subscription of Shares at subscription prices which may, at the discretion of the committee administering the Scheme, be subject to a discount to the Market Price for the Shares prevailing at the Date of Grant of the respective Options (such market price to be determined in accordance with the Rules of the Scheme), provided that the maximum discount which may be given shall not exceed 20% of the relevant Market Price for the Shares applicable to that Option.

ORDINARY RESOLUTION 3

THE PROPOSED PARTICIPATION BY MR PHUA LAM SOON, THE CHIEF EXECUTIVE OFFICER AND A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE SCHEME

THAT subject to and contingent upon the passing of Ordinary Resolution 1, approval be and is hereby given for the participation in the Scheme by Mr Phua Lam Soon, the Chief Executive Officer and a Controlling Shareholder of the Company.

ORDINARY RESOLUTION 4

THE PROPOSED GRANT OF 2,784,375 OPTIONS TO MR PHUA LAM SOON, THE CHIEF EXECUTIVE OFFICER AND A CONTROLLING SHAREHOLDER OF THE COMPANY, UNDER THE SCHEME

THAT subject to and contingent upon the passing of Ordinary Resolutions 1 and 3 above, approval be and is hereby given for the proposed grant of 2,784,375 Options to Mr Phua Lam Soon, the Chief Executive Officer and a Controlling Shareholder of the Company, pursuant to and in accordance with the Rules of the Scheme on the following terms, and the Directors be and are hereby authorised to issue and allot such Shares upon the exercise of the Options:–

- | | | |
|---|---|---|
| (i) Proposed Date of Grant of Options | : | Any time within four (4) weeks from the date of the EGM |
| (ii) Number of Shares comprised in the proposed Options | : | 2,784,375 Options comprising 2,784,375 Shares (representing approximately 1.50% of the total issued Shares as at the Latest Practicable Date and 10.00% of the total number of Shares available under the Scheme) |
| (iii) Exercise Price per Share | : | Market Price |
| (iv) Exercise Period | : | Exercisable at any time after one (1) year from the Date of Grant, subject as provided in Rule 11 and Rule 15 of the proposed Rules of the Scheme as set out in Appendix 1 to the Circular |
| (v) Validity period of the Options | : | Ten (10) years from the Date of Grant |

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 5

THE PROPOSED PARTICIPATION OF MS ONG SIEW ENG, AN EXECUTIVE DIRECTOR AND A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE SCHEME

THAT subject to and contingent upon the passing of Ordinary Resolution 1, approval be and is hereby given for the participation in the Scheme by Ms Ong Siew Eng, an Executive Director and a Controlling Shareholder of the Company.

ORDINARY RESOLUTION 6

THE PROPOSED GRANT OF 2,784,375 OPTIONS TO MS ONG SIEW ENG, AN EXECUTIVE DIRECTOR AND A CONTROLLING SHAREHOLDER OF THE COMPANY, UNDER THE SCHEME

THAT subject to and contingent upon the passing of Ordinary Resolutions 1 and 5 above, approval be and is hereby given for the proposed grant of 2,784,375 Options to Ms Ong Siew Eng, an Executive Director and a Controlling Shareholder of the Company, pursuant to and in accordance with the Rules of the Scheme on the following terms, and the Directors be and are hereby authorised to issue and allot such Shares upon the exercise of the Options:–

- (i) Proposed Date of Grant of Options : Any time within four (4) weeks from the date of the EGM
- (ii) Number of Shares comprised in the Options : 2,784,375 Options comprising 2,784,375 Shares (representing approximately 1.50% of the total issued Shares as at the Latest Practicable Date and 10.00% of the total number of Shares available under the Scheme)
- (iii) Exercise Price per Share : Market Price
- (iv) Exercise Period : Exercisable at any time after one (1) year from the Date of Grant, subject as provided in Rule 11 and Rule 15 of the proposed Rules of the Scheme as set out in Appendix 1 to the Circular
- (v) Validity period of the Options : Ten (10) years from the Date of Grant

ORDINARY RESOLUTION 7

THE PROPOSED ADOPTION OF THE SHARE BUY BACK MANDATE

THAT:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company (“**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (i) market purchases (each a “**Market Purchase**”) on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”); and/or
- (ii) off-market purchases (each an “**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other provisions of the Companies Act and the Listing Manual (Section B: Rules of Catalist) of the SGX-ST as may for the time being be applicable (the “**Share Buy Back Mandate**”);

- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy Back Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;
- (c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:
 - (i) the date on which the next annual general meeting of the Company (“**AGM**”) is held or is required by law to be held;
 - (ii) the date on which the buy backs of Shares pursuant to the Share Buy Back Mandate are carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred in the Share Buy Back Mandate is varied or revoked,

whichever is the earliest (“**Relevant Period**”).

- (d) for purposes of this Resolution:

“**Prescribed Limit**” means 10% of the issued Shares as at the date of the passing of this Resolution unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the number of issued Shares shall be taken to be the number of issued Shares as altered (excluding any treasury shares that may be held by the Company from time to time); and

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

- (i) in the case of a Market Purchase: 105% of the Average Closing Price (as hereinafter defined); and
- (ii) in the case of an Off-Market Purchase: 120% of the Average Closing Price, where:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last 5 market days, on which transactions in the Shares were recorded, preceding the day of

NOTICE OF EXTRAORDINARY GENERAL MEETING

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 for any corporate action that occurs after the relevant 5-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 purchase of Shares from Shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (e) any of the Directors be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution.

By Order of the Board
BOLDTEK HOLDINGS LIMITED

Phua Lam Soon
Chief Executive Officer
10 October 2018

Notes:

1. (a) A member (otherwise than a relevant intermediary) is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of share shall be specified).

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

2. A proxy need not be a member of the Company.
3. An instrument appoint a proxy or proxies must be deposited at the registered office of the Company at 24 Kranji Road, Singapore 739465, not less than 48 hours before the time for holding the EGM or any adjournment thereof.
4. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his/her name appears on the Depository Register 72 hours before the time set for the EGM.

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

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BOLDTEK HOLDINGS LIMITED

(Company Registration No. 201224643D)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT

1. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investors") may attend and cast his vote(s) at the EGM in person. SRS Investors who are unable to attend the EGM but would like to vote may inform their SRS Approved Nominees to appoint the chairman of the EGM to act as their proxy, in which case, the SRS Investors shall be precluded from attending the EGM.
2. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. Please read the notes to this proxy form.

I/We _____ (Name), _____ (NRIC/Passport No.)
of _____ (Address)
being a member/members of Boldtek Holdings Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
Address		No. of shares	%

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
Address		No. of shares	%

or failing the person, or either or both of the persons, referred to above, the Chairman of the extraordinary general meeting ("EGM") of the Company as my/our proxy/proxies to vote for me/us on my/our behalf at the EGM to be held at 24 Kranji Road, Singapore 739465 on 29 October 2018 at 4 p.m. (or as soon as practicable thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 3 p.m. on the same day and at the same place) and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

The resolution put to the vote of the EGM shall be decided by way of poll.

No.	Ordinary Resolutions relating to:	No. of Votes For*	No. of Votes Against*
1	To approve the proposed adoption of the Boldtek Employee Share Option Scheme ("Scheme")		
2	Contingent upon the passing of Ordinary Resolution 1, to approve the proposed grant of Options under the Scheme at a discount		
3	Contingent upon the passing of Ordinary Resolution 1, to approve the proposed participation of Mr Phua Lam Soon, the Chief Executive Officer and a Controlling Shareholder of the Company, in the Scheme		
4	Contingent upon the passing of Ordinary Resolutions 1 and 3, to approve the proposed grant of Options under the Scheme to Mr Phua Lam Soon, the Chief Executive Officer and a Controlling Shareholder of the Company		
5	Contingent upon the passing of Ordinary Resolution 1, to approve the proposed participation of Ms Ong Siew Eng, an Executive Director and a Controlling Shareholder of the Company, in the Scheme		
6	Contingent upon the passing of Ordinary Resolutions 1 and 5, to approve the proposed grant of Options under the Scheme to Ms Ong Siew Eng, an Executive Director and a Controlling Shareholder of the Company		
7	To approve the Proposed Adoption of the Share Buy Back Mandate		

* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2018

Total number of shares held in:	
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s)
and, Common Seal of Corporate Shareholder

*Delete where inapplicable



Notes:-

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore, you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. (a) A member (otherwise than a relevant intermediary) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where such member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportion of the shareholding (expressed as a percentage of the whole) to be represented by each proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of share shall be specified).

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

3. A proxy need not be a member of the Company.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 24 Kranji Road, Singapore 739465 not less than forty-eight (48) hours before the time appointed for the EGM in accordance with the instructions stated herein.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend the meeting and to vote thereat unless his name appears on the Depository Register seventy-two (72) hours before the time appointed for the meeting.

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