

## CIRCULAR DATED 12 AUGUST 2015

**THIS CIRCULAR (AS DEFINED HEREIN) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

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

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

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, United Overseas Bank Limited (the “**Sponsor**”) for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this Circular. This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. The contact persons for the Sponsor are Mr Khong Choun Mun, Managing Director, Equity Capital Markets and Mr Chia Beng Kwan, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03, UOB Plaza 1, Singapore 048624, Telephone: (65) 6533 9898.



(Company Registration No.: 201414628C)  
(Incorporated in the Republic of Singapore)

### CIRCULAR TO SHAREHOLDERS

#### IN RELATION TO

- (1) **THE PROPOSED SHARE BUYBACK MANDATE;**
- (2) **THE PROPOSED ADOPTION OF THE MS HOLDINGS SHARE AWARD SCHEME (“ESAS”); AND**
- (3) **THE PROPOSED PARTICIPATION BY CONTROLLING SHAREHOLDERS OF MS HOLDINGS LIMITED AND THEIR ASSOCIATES IN THE ESAS.**

#### IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	26 August 2015 at 11 a.m.
Date and time of Extraordinary General Meeting	:	28 August 2015 at 11 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10 a.m. on the same day and at the same place)
Venue of Extraordinary General Meeting	:	Raffles Marina, 10 Tuas West Drive, Singapore 638404

---

## TABLE OF CONTENTS

---

<b>DEFINITIONS .....</b>	<b>3</b>
<b>LETTER TO SHAREHOLDERS .....</b>	<b>7</b>
<b>1. INTRODUCTION .....</b>	<b>7</b>
<b>2. THE PROPOSED SHARE BUYBACK MANDATE.....</b>	<b>7</b>
<b>3. THE PROPOSED ADOPTION OF THE MS HOLDINGS SHARE AWARD SCHEME .....</b>	<b>20</b>
<b>4. THE PROPOSED PARTICIPATION BY CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES IN THE ESAS .....</b>	<b>30</b>
<b>5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS .....</b>	<b>31</b>
<b>6. DIRECTORS' RECOMMENDATION .....</b>	<b>31</b>
<b>7. EXTRAORDINARY GENERAL MEETING .....</b>	<b>32</b>
<b>8. ACTION TO BE TAKEN BY SHAREHOLDERS .....</b>	<b>32</b>
<b>9. ABSTENTION FROM VOTING .....</b>	<b>32</b>
<b>10. DIRECTORS' RESPONSIBILITY STATEMENT .....</b>	<b>32</b>
<b>11. DOCUMENTS AVAILABLE FOR INSPECTION .....</b>	<b>33</b>
<b>APPENDIX A – RULES OF THE MS HOLDINGS SHARE AWARD SCHEME.....</b>	<b>A-1</b>
<b>NOTICE OF EXTRAORDINARY GENERAL MEETING.....</b>	<b>N-1</b>
<b>PROXY FORM</b>	

---

## DEFINITIONS

---

For the purpose of this Circular, the following definitions apply throughout except where the context otherwise requires:

- “ACRA” : Accounting and Corporate Regulatory Authority
- “Act” : The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
- “AGM” : The annual general meeting of the Company
- “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 company which is its subsidiary or holding company or is a subsidiary of any 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 as at the date of this Circular
- “Catalist” : The Catalist Board of the SGX-ST
- “Catalist Rules” : Any or all of the rules in the SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
- “CDP” : The Central Depository (Pte) Limited
- “Circular” : This circular to Shareholders dated 12 August 2015
- “Committee” : The Remuneration Committee of the Company, or such other committee comprising Directors duly authorised and appointed by the Board to administer the ESAS
- “Company” : MS Holdings Limited
- “Control” : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company

---

## DEFINITIONS

---

“Controlling Shareholder”	: A person who: <ul style="list-style-type: none"><li>(a) holds directly or indirectly 15% or more of the total number of issued Shares excluding Treasury Shares; or</li><li>(b) in fact exercises Control over the Company</li></ul>
“Date of Grant”	: In relation to an ESAS Award, the date on which the Shares are granted to a Selected Person
“Directors”	: The directors of the Company
“EGM”	: The extraordinary general meeting of the Company to be held on 28 August 2015 (or as soon thereafter following the conclusion or adjournment of the AGM to be held on the same day and at the same place), the notice of which is set out on page N-1 of this Circular
“EPS”	: Earnings per Share
“ESAS”	: The proposed MS Holdings Share Award Scheme, as modified or altered from time to time, details of which are provided in Section 3 of this Circular
“ESAS Award”	: A contingent award of Shares granted under the ESAS
“FY”	: Financial year of the Company ended or ending 30 April (as the case may be)
“Group”	: The Company and its subsidiaries
“Group Employee”	: A full-time employee of the Group (including any Group Executive Director)
“Group Executive Director”	: A director from time to time of the Group, as the case may be, holding office in an executive capacity
“Group Non-Executive Director”	: A director from time to time of the Group, as the case may be, other than a Group Executive Director, including an independent Director
“Latest Practicable Date”	: 30 July 2015, being the latest practicable date prior to the printing of this Circular
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“Market Price”	: The average of the last dealt price for a Share as determined by reference to the last dealt prices of the Shares on SGX-ST for the five (5) consecutive Market Days immediately preceding the date on which the ESAS Award shall be vested
“New Shares”	: The new Shares which may be allotted or issued from time to time under the ESAS
“NTA”	: Net tangible assets
“Ordinary Resolution”	: A resolution passed by a simple majority of the Shareholders present and voting in person or by proxy at a general meeting of the Company

---

## DEFINITIONS

---

“Performance-related ESAS Award”	:	An ESAS Award in relation to which a Performance Target is specified
“Performance Target(s)”	:	In relation to a Performance-related ESAS Award, the performance target(s) prescribed by the Committee to be fulfilled by a Selected Person for any particular period under the ESAS
“Relevant Period”	:	The period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date the resolution relating to the Share Buyback Mandate is passed
“Securities Account”	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“Selected Person”	:	A person who has been granted an ESAS Award
“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Buyback Mandate”	:	General and unconditional mandate given by the Shareholders to authorise the Directors to purchase or otherwise acquire, on behalf of the Company, Shares in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Act and the Catalist Rules
“Shareholders”	:	The registered holders of the Shares in the register of members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
“Shares”	:	Ordinary shares in the issued share capital of the Company
“SIC”	:	Securities Industry Council
“Substantial Shareholder”	:	A person (including a corporation) who holds directly or indirectly 5% or more of the total issued voting Shares
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“Treasury Shares”	:	Issued Shares which is (or is treated as having been) purchased by the Company in circumstances which Section 76H of the Act applies and has since purchase been continuously held by the Company
“Vesting Period”	:	In relation to an ESAS Award, a period or periods, the duration of which is to be determined by the Committee at the Date of Grant
“S\$” and “cents”	:	Singapore dollars and cents respectively
“%” or “per cent.”	:	Percentage or per centum

---

## DEFINITIONS

---

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 130A of the Act. The term “**Subsidiary**” shall have the meaning ascribed to it in Section 5 of the 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 and *vice versa*. References to persons shall include corporations.

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

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference in this Circular to shares being allotted to a person includes allotment to CDP for the account of that person.

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

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

---

## LETTER TO SHAREHOLDERS

---

### MS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201414628C)

#### **Directors**

Ng Chui Hwa (*Executive Chairman*)  
Yap Chin Hock (Ye Jinfu) (*Executive Director and Chief Executive Officer*)  
Yap Bee Ling (Ye Meiling) (*Executive Director (Business Development)*)  
Goh Boon Chye (*Lead Independent Director*)  
Lim Kee Way Irwin (*Independent Director*)  
Lau Yan Wai (*Independent Director*)

#### **Registered Office**

22 Pandan Road  
Singapore 609274

12 August 2015

**To: The Shareholders of MS Holdings Limited**

Dear Sir/Madam

#### **1. INTRODUCTION**

- 1.1 The purpose of this Circular is to provide the Shareholders with information relating to, and to seek the approval of the Shareholders, for:
- (a) the proposed Share Buyback Mandate;
  - (b) the proposed adoption of the ESAS; and
  - (c) the proposed participation by the Controlling Shareholders and their Associates in the ESAS.
- 1.2 This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) or for any other purpose.
- 1.3 The SGX-ST and the Sponsor assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the statements made, reports contained or opinions expressed in this Circular.

#### **2. THE PROPOSED SHARE BUYBACK MANDATE**

##### **2.1 Introduction**

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. In this regard, approval is now being sought from Shareholders at the EGM for the Share Buyback Mandate.

An Ordinary Resolution will be proposed, pursuant to which the Share Buyback Mandate will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares on the terms of the Share Buyback Mandate.

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

---

## LETTER TO SHAREHOLDERS

---

### 2.2 **Rationale**

The approval of the Share Buyback Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake Share purchases or acquisitions at any time, during the period when the Share Buyback Mandate is in force.

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

- (a) In managing the business of the Group, the management team strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. In addition to growth and expansion of the business, Share buybacks may be considered as one of the ways through which the return on equity of the Group may be enhanced.
- (b) Share buybacks 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 Shares to participants for the purposes of or pursuant to any employees' share scheme or plan adopted by the Company, thus giving the Company greater flexibility to select the method of providing Shares to its employees which would be most beneficial to the Company and its Shareholders.
- (c) The Share Buyback Mandate would provide the Company with the flexibility to purchase or acquire the Shares if and when circumstances permit, during the period when the Share Buyback Mandate is in force. It is an expedient, effective and cost efficient way for the Company to return surplus cash/funds over and above its ordinary capital requirements, if any, which are in excess of its financial requirements, taking into account its growth and expansion plans, to its Shareholders. In addition, the Share Buyback Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure and its dividend policy.
- (d) The purchase or acquisition of Shares under the Share Buyback Mandate will help mitigate short-term share price volatility (by way of stabilising the supply and demand of issued Shares) and offset the effects of short-term share price speculation, supporting the fundamental value of the issued Shares, thereby bolstering Shareholders' confidence and employees' morale.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the period referred to in Section 2.3.1 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10% limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or the Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the Catalist. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the Catalist.

### 2.3 **Authority and limits of the Share Buyback Mandate**

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below:

#### 2.3.1 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 pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the total number of



---

## LETTER TO SHAREHOLDERS

---

issued Shares as at the date of the EGM at which the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the applicable provisions of the Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered. Any Shares which are held as Treasury Shares will be disregarded for purposes of computing the 10% limit.

**Purely for illustrative purposes only**, on the basis of 102,000,000 Shares in issue as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the EGM, not more than 10,200,000 (representing 10% of the total number of issued Shares as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

### 2.3.2 Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the EGM at which the Share Buyback Mandate is approved, up to:

- (a) the date on which the next AGM is held or required by law to be held;
- (b) the date on which the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting, whichever is the earliest.

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed by the Shareholders in a general meeting of the Company, such as at the next AGM or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

### 2.3.3 Manner of purchase or acquisition of Shares

Purchases or acquisitions of Shares can be effected by the Company by way of:

- (a) on-market purchases (“**Market Purchases**”) transacted on the Catalist through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose of the Share buyback; and/or
- (b) off-market purchases (“**Off-Market Purchase**”) effected otherwise than on the Catalist pursuant to an equal access scheme(s) as defined in Section 76C of the Act.

The Directors may impose such terms and conditions, which are consistent with the Share Buyback Mandate, the Catalist Rules, the Act and the Articles of Association of the Company, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes.

Under the Act, an equal access scheme must satisfy all the following conditions:

- (a) offers for the purchase or acquisition of issued Shares shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;
- (b) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and

---

## LETTER TO SHAREHOLDERS

---

- (c) the terms of all the offers shall be the same, except that there shall be disregarded, where applicable:
  - (i) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements;
  - (ii) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
  - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company must, as required by the Catalist Rules, issue an offer document to all Shareholders containing at least the following information:

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

### 2.3.4 Maximum price to be paid for the Shares

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Share Buyback Mandate.

However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares 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, 120% of the Average Closing Price (as defined below),

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

---

## LETTER TO SHAREHOLDERS

---

For the above purposes of determining the Maximum Price:

**“Average Closing Price”** means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day 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 five (5) Market Days period; and

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

### 2.4 Sources of funds

The Company may only apply funds legally available for the purchase or acquisition of its Shares as provided in the Articles of Association and in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Previously, any payment made by the Company in consideration of the purchase or acquisition of its Shares may only be made out of the Company’s distributable profits. The Act now permits the Company to also purchase or acquire its Shares out of capital, as well as from its distributable profits, so long as the Company is solvent (as defined in Section 76F(4) of the Act). In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations of assets or estimates of liabilities. In determining the value of the contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any claims the Company is entitled to make and can reasonably expect to be met to reduce or extinguish the contingent liability.

The Company intends to use internal sources of funds or borrowings or a combination of both to finance the Company’s purchase or acquisition of Shares pursuant to the Share Buyback Mandate. In purchasing or acquiring Shares pursuant to the Share Buyback Mandate, the Directors will principally consider the availability of internal resources. In addition, the Directors will consider the availability of external financing. However, in considering the option of external financing, the Directors will consider particularly the prevailing gearing level of the Group and the costs of such financing.

The Directors will only make purchases or acquisitions pursuant to the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

### 2.5 Status of purchased or acquired Shares

#### 2.5.1 Cancellation

Under Section 76B of the Act, any Shares purchased or acquired by the Company through a Share buyback shall be deemed to be cancelled immediately on purchase or acquisition unless such Shares are held by the Company as Treasury Shares in accordance with Section 76H of the Act. Upon such cancellation, all rights and privileges attached to that Share will expire. 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.

---

## LETTER TO SHAREHOLDERS

---

All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Act) will be automatically de-listed from the Catalist, and (where applicable) all 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.

### 2.5.2 Treasury Shares

Under the Act, the 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) 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 within six (6) months.
- (b) 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.
- (c) No dividend may be paid, and no other distribution of the Company's assets may be made to the Company in respect of Treasury Shares. However, the allotment of Shares as fully paid bonus shares in respect of Treasury Shares is allowed. Also, a subdivision of any Treasury Shares into Treasury Shares of a larger amount, or consolidation of any Treasury Shares into Treasury Shares of a smaller amount is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.
- (d) Where Shares are held as Treasury Shares, the Company may at any time but subject always to the Take-over Code:
  - (i) sell the Treasury Shares (or any of them) for cash;
  - (ii) transfer the Treasury Shares (or any of them) for the purposes of or pursuant to an employees' share scheme and/or plan;
  - (iii) transfer the Treasury Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
  - (iv) cancel the Treasury Shares (or any of them); or
  - (v) 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 Shares awarded under the ESAS.

The Shares purchased or acquired under the Share Buyback 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.

### 2.6 **Reporting requirements**

The Company shall notify the ACRA in the prescribed form within 30 days of a purchase or acquisition of Shares on the Catalist or otherwise. Such notification shall include, *inter alia*, details of the purchases or acquisitions and the total number of Shares purchased or acquired by the Company, the Company's issued ordinary share capital before and after the purchase or

---

## LETTER TO SHAREHOLDERS

---

acquisition of Shares, and the amount of consideration paid by the Company for the purchases or acquisitions. Within 30 days of the passing of a Shareholders' resolution to approve or renew the Share Buyback Mandate, the Company shall lodge a copy of such resolution with the ACRA.

Pursuant to the Catalist Rules, the Company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made, and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe.

The Company, upon undertaking any sale, transfer, cancellation and/or use of Treasury Shares, will comply with Rule 704(31) of the Catalist Rules, which provides that an issuer must make an immediate announcement thereof, stating the following:

- (a) the date of the sale, transfer, cancellation and/or use;
- (b) the purpose of such sale, transfer, cancellation and/or use;
- (c) the number of Treasury Shares sold, transferred, cancelled and/or used;
- (d) the number of Shares before and after such sale, transfer, cancellation and/or use;
- (e) the percentage of the number of Treasury Shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (f) the value of the Treasury Shares if they are used for a sale or transfer, or cancelled.

### 2.7 Financial effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the NTA and EPS of the Company and the Group as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund such purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as Treasury Shares.

Any Share buyback will:

- (a) reduce the number of the issued Shares in the capital of the Company where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of the Company's profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of the Company's share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for such Shares.

---

## LETTER TO SHAREHOLDERS

---

Under the Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, stamp duties, commission, 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 purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirements, the availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The Share Buyback Mandate will be exercised with a view to enhancing the EPS and/or the 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 102,000,000 issued Shares (excluding Treasury Shares, if any).

(b) *Illustrative Financial Effects*

Purely for illustrative purposes, on the basis of 102,000,000 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 AGM, the purchase by the Company of 10% of its Shares will result in the purchase of 10,200,000 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 10,200,000 Shares at the Maximum Price of S\$0.200 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the 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 10,200,000 Shares is approximately S\$2.0 million.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 10,200,000 Shares at the Maximum Price of S\$0.228 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the 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 10,200,000 Shares is approximately S\$2.3 million.

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

- (i) the Share Buyback Mandate had been effective on 1 May 2014; and
- (ii) such Share purchases are funded solely by internal resources,

the financial effects of the share buyback on the audited financial statements of the Group and the Company for FY2015, are set out below:-

## LETTER TO SHAREHOLDERS

(i) **PURCHASES MADE ENTIRELY OUT OF CAPITAL AND SHARES REPURCHASED ARE HELD AS TREASURY SHARES**

(a) **Market Purchases**

	Group		Company	
	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)
<b><u>FY2015</u></b>				
Share Capital	25,564	25,564	25,564	25,564
Treasury Shares	–	(2,040)	–	(2,040)
Merger Reserve	(19,728)	(19,728)	–	–
Retained Earnings	21,772	21,772	1,298	1,298
Total Equity	27,608	25,568	26,862	24,822
Net Tangible Assets <sup>(1)</sup>	27,608	25,568	26,862	24,822
Current Assets	8,321	6,281	5,662	3,622
Current Liabilities	8,429	8,429	128	128
Working Capital	(108)	(2,148)	5,534	3,494
Total Borrowings <sup>(2)</sup>	33,289	33,289	–	–
Profit attributable to owners of the Company	2,044	2,044	1,298	1,298
Number of Shares outstanding ('000)	102,000	91,800	102,000	91,800
<b><u>Financial Ratios</u></b>				
NTA per share (cents) <sup>(3)</sup>	27.1	27.9	26.3	27.0
Current Ratio (times) <sup>(4)</sup>	1.0	0.7	44.2	28.3
Basic EPS (cents) <sup>(5)</sup>	2.0	2.2	1.3	1.4

(b) **Off-Market Purchases**

	Group		Company	
	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)
<b><u>FY2015</u></b>				
Share Capital	25,564	25,564	25,564	25,564
Treasury Shares	–	(2,326)	–	(2,326)
Merger Reserve	(19,728)	(19,728)	–	–
Retained Earnings	21,772	21,772	1,298	1,298
Total Equity	27,608	25,282	26,862	24,536
Net Tangible Assets <sup>(1)</sup>	27,608	25,282	26,862	24,536
Current Assets	8,321	5,995	5,662	3,336
Current Liabilities	8,429	8,429	128	128
Working Capital	(108)	(2,434)	5,534	3,208
Total Borrowings <sup>(2)</sup>	33,289	33,289	–	–
Profit attributable to owners of the Company	2,044	2,044	1,298	1,298
Number of Shares outstanding ('000)	102,000	91,800	102,000	91,800
<b><u>Financial Ratios</u></b>				
NTA per share (cents) <sup>(3)</sup>	27.1	27.5	26.3	26.7
Current Ratio (times) <sup>(4)</sup>	1.0	0.7	44.2	26.1
Basic EPS (cents) <sup>(5)</sup>	2.0	2.2	1.3	1.4

## LETTER TO SHAREHOLDERS

**(ii) PURCHASES MADE ENTIRELY OUT OF CAPITAL AND SHARES REPURCHASED ARE CANCELLED**

**(a) Market Purchases**

	Group		Company	
	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)
<b><u>FY2015</u></b>				
Share Capital	25,564	23,524	25,564	23,524
Treasury Shares	–	–	–	–
Merger Reserve	(19,728)	(19,728)	–	–
Retained Earnings	21,772	21,772	1,298	1,298
Total Equity	27,608	25,568	26,862	24,822
Net Tangible Assets <sup>(1)</sup>	27,608	25,568	26,862	24,822
Current Assets	8,321	6,281	5,662	3,622
Current Liabilities	8,429	8,429	128	128
Working Capital	(108)	(2,148)	5,534	3,494
Total Borrowings <sup>(2)</sup>	33,289	33,289	–	–
Profit attributable to owners of the Company	2,044	2,044	1,298	1,298
Number of Shares outstanding ('000)	102,000	91,800	102,000	91,800
<b><u>Financial Ratios</u></b>				
NTA per share (cents) <sup>(3)</sup>	27.1	27.9	26.3	27.0
Current Ratio (times) <sup>(4)</sup>	1.0	0.7	44.2	28.3
Basic EPS (cents) <sup>(5)</sup>	2.0	2.2	1.3	1.4

**(b) Off-Market Purchases**

	Group		Company	
	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)
<b><u>FY2015</u></b>				
Share Capital	25,564	23,238	25,564	23,238
Treasury Shares	–	–	–	–
Merger Reserve	(19,728)	(19,728)	–	–
Retained Earnings	21,772	21,772	1,298	1,298
Total Equity	27,608	25,282	26,862	24,536
Net Tangible Assets <sup>(1)</sup>	27,608	25,282	26,862	24,536
Current Assets	8,321	5,995	5,662	3,336
Current Liabilities	8,429	8,429	128	128
Working Capital	(108)	(2,434)	5,534	3,208
Total Borrowings <sup>(2)</sup>	33,289	33,289	–	–
Profit attributable to owners of the Company	2,044	2,044	1,298	1,298
Number of Shares outstanding ('000)	102,000	91,800	102,000	91,800
<b><u>Financial Ratios</u></b>				
NTA per share (cents) <sup>(3)</sup>	27.1	27.5	26.3	26.7
Current Ratio (times) <sup>(4)</sup>	1.0	0.7	44.2	26.1
Basic EPS (cents) <sup>(5)</sup>	2.0	2.2	1.3	1.4



---

## LETTER TO SHAREHOLDERS

---

**Notes:**

- (1) *NTA is equivalent to total equity less intangible assets, if any.*
- (2) *Total borrowings comprise short term and long term obligations under finance leases and bank borrowings.*
- (3) *NTA per share is equivalent to NTA divided by the number of Shares outstanding.*
- (4) *Current ratio is equivalent to total current assets divided by total current liabilities.*
- (5) *For comparative purposes, the basic EPS have been computed based on the profit after tax divided by the number of Shares outstanding.*

**Shareholders should note that the financial effects illustrated above are based on certain assumptions and purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited financial statements of the Company and the Group for FY2015, and is not necessarily representative of the future financial performance of the Company or the Group.**

**The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a Share purchase or acquisition before execution. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares (excluding Treasury Shares), the Company may not necessarily purchase or be able to purchase the entire 10% of the total number of its issued Shares.**

**In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.**

### 2.8 Taxation

Pursuant to Section 10J of the Income Tax Act, Chapter 134 of Singapore, where a company buys back its own shares and makes payment out of its contributed capital, it will not be regarded as a payment of dividend. Where a company buys back its own shares using its distributable profits, it is deemed as having paid a dividend to the shareholders from whom the shares are purchased or acquired.

**Shareholders who are in doubt as to their tax positions or any tax implications arising from the Share Buyback Mandate in their respective jurisdictions should consult their own professional advisers.**

### 2.9 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 or any of their Associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

### 2.10 Catalist Rules

- 2.10.1 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 the Share Buyback 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 immediately preceding the announcement of the Company’s interim (half-year) results (if not required to announce quarterly financial results) and the annual (full-year) results.

---

## LETTER TO SHAREHOLDERS

---

2.10.2 The Company is required under Rule 723 of the Catalist Rules to ensure that at least 10% of its Shares are in the hands of the public. 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.

Based on the Register of Directors’ Shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, approximately 26.5% of the issued Shares (excluding Treasury Shares), are in the hands of the public.

If the Company were to purchase or acquire the entire 10% of the total number of its issued Shares, the percentage of Shares (excluding Treasury Shares) held by the public would be approximately 18.3%.

Accordingly, the Company is of the view that there is sufficient number of issued Shares in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10.0% limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the 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 adversely affect the orderly trading of Shares.

In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that a sufficient float in the hands of the public will be maintained so that such purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the Catalist, cause market illiquidity or adversely affect the orderly trading of the Shares.

### 2.11 Take-over Code implications

Appendix 2 of the Take-over Code contains the Share Buy-back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

#### 2.11.1 Obligations to make a take-over offer

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

#### 2.11.2 Persons acting in concert

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

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert:

- (a) a company with its parent company, its subsidiaries, its fellow subsidiaries, 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 the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;

---

## LETTER TO SHAREHOLDERS

---

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

For this purpose, a company is an associated company of another company if the second company owns or controls of at least 20% but not more than 50% of the voting rights of the first-mentioned company.

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

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

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, Treasury Shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 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.

Based on the information in the Company's Register of Shareholders as at the Latest Practicable Date, none of the Directors or Substantial Shareholders of the Company are obliged to make a general offer to other Shareholders under Rule 14 and Appendix 2 of the Take-over Code as a result of a purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate. The Directors are not aware of any potential Shareholder(s) who may have to make a general offer to the other Shareholders as a result of a purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate.

---

## LETTER TO SHAREHOLDERS

---

**Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the SIC and/or their professional advisers at the earliest opportunity.**

### 2.12 Share buybacks in the previous 12 months

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

## 3. THE PROPOSED ADOPTION OF THE MS HOLDINGS SHARE AWARD SCHEME

### 3.1 Objectives of and rationale for the MS Holdings Share Award Scheme

The objectives of the ESAS, which is subject to the approval of the Shareholders, are as follows:-

- (a) to motivate Selected Persons to optimise their performance standards, productivity and efficiency, to strive towards performance excellence and to maintain a high level of contribution to the Group by relating their total remuneration to the performance of the Group;
- (b) to make employee remuneration sufficiently competitive to attract potential employees with relevant skills to contribute to the Group by recognising contributions made or to be made and to create value for the Shareholders;
- (c) to retain key employees and directors of the Group whose contribution are essential to the long-term growth and profitability of the Group;
- (d) to promote commitment, dedication and instill loyalty, thereby resulting in a stronger identification by employees with the long-term prosperity of the Group; and
- (e) to foster an ownership culture within the Group which aligns the interest of the Selected Persons with the interest of the Shareholders.

The rationale for adopting the ESAS is to give the Company greater flexibility to align the interests of employees, especially key management, with those of the Shareholders. It is also intended to reward, retain and motivate employees to achieve superior performance which creates and enhances economic value for the Shareholders. The Company believes that by adopting the ESAS, the Company will have greater flexibility in tailoring reward and incentive packages suitable for Selected Persons and aligning Selected Persons' interests with those of Shareholders. The Company believes that this will in turn inculcate in Selected Persons a stronger and more lasting sense of identification with the Group, and further strengthen the Company's competitiveness in attracting and retaining talented employees, especially employees who have the requisite knowledge, technical skills and experience whom the Company believes could contribute to the development and growth of the Group. The Company believes that the ESAS will be more effective than mere pure cash bonuses in motivating the Selected Persons in achieving the Performance Target(s), which will in turn contribute towards the success and development of the Group. The ESAS is integral to the Group's continuing efforts to reward, retain and motivate Selected Persons to achieve better performance.

The ESAS Awards given to a particular Selected Person will be determined at the discretion of the Committee, who will take into account factors such as the Selected Person's capability, scope of responsibility, skill and vulnerability to leaving the employment of the Group. In deciding on an ESAS Award to be granted to a Selected Person, the Committee will also consider all aspects of the compensation and/or benefits given to the Selected Person and such other share-based incentive schemes of the Company, if any. The Committee may also set specific criteria and performance target(s) for each of its business units, taking into account factors such as (i) the Company and the Group's business goals and directions for each financial year; (ii) the Selected Person's actual job scope and responsibilities; and (iii) the prevailing economic conditions.

---

## LETTER TO SHAREHOLDERS

---

An application will be made to the SGX-ST for the dealing in, listing of and quotation for the New Shares on Catalyst. An appropriate announcement on the outcome of the application will be made in due course.

### 3.2 Rationale for participation of the Group Non-Executive Directors

While the ESAS caters principally to Group Employees, it is recognised that there are other persons who make significant contributions to the Group through their close working relationships with the Group, even though they are not employed within the Group. Such persons include the Group Non-Executive Directors (including independent Directors).

Group Non-Executive Directors, being persons from different professions and working backgrounds, bring to the Group their wealth of knowledge, business expertise and contacts in the business community. They play an important role in helping the Group shape its business strategy by allowing the Group to draw on the backgrounds and diverse working experience of these individuals. It is desirable that Group Non-Executive Directors be allowed to participate in the ESAS to incentivise and retain them and to further align their interests with that of the Group.

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

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

It is envisaged that the vesting of ESAS Awards, and hence the number of Shares to be delivered to the Group Non-Executive Directors, be based on the criteria set out above will be relatively small, in terms of frequency and numbers. Further, although the Group Non-Executive Directors may be appointed as members of the Committee, the rules of the ESAS provide that a member is not to be involved in its deliberations in respect of the grant of ESAS Awards to him/her. As such, the Directors are of the view that the participation by the Group Non-Executive Directors in the ESAS will not compromise their independence.

Any grant of the ESAS Awards to the Group Non-Executive Directors will be subject to and shall comply with the provisions of the Act (where applicable) including the provisions of Section 76 of the Act.

At the Latest Practicable Date, Mr. Goh Boon Chye, Mr. Lim Kee Way Irwin and Mr. Lau Yan Wai are the Group Non-Executive Directors who are eligible to participate in the ESAS.

---

## LETTER TO SHAREHOLDERS

---

### 3.3 Summary of the ESAS

The principal terms of the ESAS are summarised and set out below, and the rules of the ESAS are set out in **Appendix A** of this Circular.

(a) Size of the ESAS

The aggregate number of New Shares to be issued pursuant to ESAS Awards granted under the ESAS on any date, when added to the number of Shares issued and/or issuable under other share-based incentive schemes of the Company, shall be limited to fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares, if any) from time to time.

In addition, the following limits must not be exceeded:

- (i) the aggregate number of Shares comprised in ESAS Awards granted to the Controlling Shareholders and their Associate(s) under the ESAS shall not exceed twenty five per cent. (25%) of the total number of Shares comprised in ESAS Awards which may be granted under the ESAS; and
- (ii) the aggregate number of Shares comprised in ESAS Awards granted to each Controlling Shareholder and his Associate(s) under the ESAS shall not exceed ten per cent. (10%) of the total number of Shares comprised in ESAS Awards which may be granted under the ESAS.

The Company may deliver Shares pursuant to the ESAS Awards granted under the ESAS in the form of existing Shares purchased from the market or from Shares held in treasury. Such methods will not be subject to any limit as they do not involve the issuance of any New Shares.

**Shareholders should note that any increase in the number of issued Shares will have the effect of diluting the percentage shareholding of the existing Shareholders.**

The Company is of the view that the size of the ESAS is sufficient to give the Committee flexibility to grant ESAS Awards in view of the likely number of Selected Persons, the total number of Shares and the duration of the ESAS. The size of the ESAS allows a larger pool of persons to participate in the ESAS and gives greater flexibility to the Company in the structuring of incentive packages. The number of Selected Persons is expected to grow over the years as the Company has a long-term expansion plans where more employees may be employed and be eligible to participate in the ESAS. In addition, the Group, in line with its goal of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of its talent pool.

(b) Eligibility

The following persons shall be eligible to participate in the ESAS at the absolute discretion of the Committee if at the Date of Grant:-

- (a) he shall be:-
  - (i) a Group Employee;
  - (ii) a Group Executive Director;
  - (iii) a Group Non-Executive Director (including independent Director) who, in the opinion of the Committee, has contributed or will contribute to the success and development of the Group;
- (b) he shall have attained the age of twenty-one (21) years; and

---

## LETTER TO SHAREHOLDERS

---

- (c) he shall not be an undischarged bankrupt and must not have entered into a composition with his creditors.

Group Employees, Group Executive Directors and Group Non-Executive Directors who are Controlling Shareholders or Associates of a Controlling Shareholder are also eligible to participate in the ESAS provided that the terms of each grant and the actual number of ESAS Awards granted under the ESAS to a Selected Person who is a Controlling Shareholder or an Associate of a Controlling Shareholder shall be approved by the independent Shareholders in a separate resolution for each such person, provided always that it shall not be necessary to obtain the approval of the independent Shareholders for the participation in the ESAS of an Associate of a Controlling Shareholder who, at the relevant time, is already a Selected Person.

As at the Latest Practicable Date, the Controlling Shareholders or their Associates who are eligible to participate in the ESAS are Madam Ng Chui Hwa, Mr. Yap Sian Lay, Mr. Yap Chin Hock, Ms. Yap Bee Ling and Mr. Ng King Wat.

(c) ESAS Awards

ESAS Awards represent the right of a Selected Person to receive fully paid Shares, their equivalent cash value or combinations thereof, free of charge, and in relation to a Performance-related ESAS Awards, upon the Selected Person achieving prescribed Performance Target(s). Performance Target(s) set under the ESAS are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth.

Performance Target(s) are stretched targets aimed at sustaining long-term growth. Examples of Performance Target(s) to be set include targets based on criteria such as sales growth, earnings per share, share price and return on investment. The Committee may amend or waive the period for the performance of the Performance Target(s) and/or the Performance Target(s) if (i) a changed Performance Target would be a fairer measure of performance; or (ii) the Selected Person has achieved a level of performance that the Committee considers satisfactory, and the Committee shall notify the Selected Person of such amendment or waiver (but accidental omission to give notice to any Selected Person(s) shall not invalidate any such amendment or waiver).

The selection of a Selected Person and the number of Shares which are the subject of each ESAS Award to be granted to a Selected Person in accordance with the ESAS shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and the extent of effort required to achieve the Performance Target(s) within the performance period.

The Committee shall have absolute discretion to decide whether a person who is participating in this ESAS shall be eligible to participate in any other share option scheme or share award scheme implemented by the Company or any other company within the Group.

The Committee shall decide, in relation to each ESAS Award to be granted:-

- (i) the Selected Person;
- (ii) the Date of Grant;
- (iii) the number of Shares which are the subject of the ESAS Award;
- (iv) the Performance Target(s) for the Selected Person, if deemed necessary;
- (v) the prescribed Vesting Period(s);

---

## LETTER TO SHAREHOLDERS

---

- (vi) the extent to which Shares which are the subject of that ESAS Award shall be released at the end of each prescribed Vesting Period;
- (vii) in relation to a Performance-related ESAS Award, the extent to which the Shares under that ESAS Award shall be released on the prescribed Performance Target(s) being satisfied (whether fully or partially) or exceeded, as the case may be, at the end of the prescribed performance period and upon the expiry of the prescribed Vesting Period; and
- (viii) such other conditions which the Committee may determine in relation to that ESAS Award.

ESAS Awards may be granted at any time in the course of a financial year. An ESAS Award letter confirming the ESAS Award and specifying, *inter alia*, in relation to the ESAS Award, the Date of Grant, the number of Shares which are the subject of the ESAS Award, the prescribed Vesting Period(s), the relevant performance period(s) and the Performance Target(s) (if any), will be sent to each Selected Person as soon as reasonably practicable after the making of an ESAS Award.

ESAS Awards are personal to the Selected Person to whom they are given and shall not be transferred (other than to a Selected Person's personal representative on the death of the former), charged, assigned, pledged, mortgaged, encumbered or otherwise disposed of, in whole or in part, unless with the prior approval of the Committee. If a Selected Person shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any such right under an ESAS Award, such ESAS Award shall immediately lapse.

Special provisions for the vesting and lapsing of ESAS Awards apply in certain circumstances, including the following:-

- (i) the termination of the employment or directorship of a Selected Person;
  - (ii) the ill health, injury, disability or death of a Selected Person;
  - (iii) the bankruptcy of a Selected Person;
  - (iv) the misconduct of a Selected Person; and
  - (v) a take-over, winding-up or reconstruction of the Company.
- (d) Administration of ESAS

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

The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the ESAS) for the implementation and administration of the ESAS, to give effect to the provisions of the ESAS and/or to enhance the benefit of the ESAS Awards and the ESAS Awards which have been released to the Selected Persons, as they may, in their absolute discretion, think fit. Any matter pertaining or pursuant to the ESAS and any dispute and uncertainty as to the interpretation of the ESAS, any rule, regulation or procedure thereunder or any rights under the ESAS shall be determined by the Committee.



---

## LETTER TO SHAREHOLDERS

---

(e) Operation of the ESAS

Subject to prevailing legislation and rules of the SGX-ST, the Company will have the flexibility to deliver Shares to Selected Persons upon vesting of their ESAS Awards by the following means as it deems fit in its sole and absolute discretion:-

- (i) the allotment and issue to each Selected Person of the number of New Shares, deemed to be fully paid or credited upon their allotment and issuance;
- (ii) delivering existing Shares to the Selected Person, whether such existing Shares are acquired pursuant to a share purchase mandate or (to the extent permitted by law) held as treasury shares or otherwise; and/or
- (iii) subject to the approval of the Committee and the Committee's absolute discretion, payment of the aggregate Market Price of the Shares in cash (after deduction of applicable taxes) to the Selected Person, in lieu of issuing or delivering all or some of the Shares to be allotted or delivered to the Selected Person.

In determining whether to issue new Shares, to deliver existing Shares and/or pay the aggregate Market Price in cash to Selected Persons upon release of their ESAS Awards, the Company shall take into account factors such as (but not limited to) the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of either issuing New Shares or purchasing existing Shares.

The financial effects of the delivery of Shares to Selected Persons upon vesting of the ESAS Awards are set out in Section 3.4 of this Circular.

New Shares allotted and issued on the release of an ESAS Award shall be subject to all provisions of the Memorandum and Articles of Association of the Company, and shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

The "aggregate Market Price" of the Shares to be paid to a Selected Person in lieu of allotment or transfer, shall be calculated in accordance with the following formula:-

$$A = B \times C$$

Where:-

- A is the aggregate Market Price of the Shares to be paid to the Selected Person in lieu of all or some of the Shares to be issued or transferred upon the release of an ESAS Award;
- B is the Market Price of each Share; and
- C is such number of Shares (as determined by the Committee in its sole and absolute discretion) to be issued or transferred to a Selected Person upon the release of an ESAS Award in accordance with the rules of the ESAS.

(f) Variation of Capital

If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves, rights issue, reduction, sub-division, consolidation of Shares, distribution or otherwise) shall take place, then:-

- (i) the number of Shares which are the subject of an ESAS Award to the extent not yet vested and the rights attached thereto; and/or

---

## LETTER TO SHAREHOLDERS

---

- (ii) the number of Shares in respect of which ESAS Awards may be granted under the ESAS,

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

Unless the Committee considers an adjustment to be appropriate:-

- (i) the issue of securities as consideration for an acquisition or a private placement of securities;
- (ii) the increase in the number of issued Shares as a consequence of the exercise of options or other convertibles entitling holders of such options or convertibles to acquire Shares;
- (iii) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force; and
- (iv) the increase in the issued share capital of the Company as a consequence of the delivery of New Shares pursuant to the vesting of the ESAS Awards from time to time by the Company or through any other share-based incentive schemes implemented by the Company,

shall not normally be regarded as a circumstance requiring adjustment.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not arbitrators) to be in their opinion, fair and reasonable. In addition, no adjustment shall be made if as a result, the Selected Person receives a benefit that a Shareholder does not receive.

(g) Modifications or Alterations to the ESAS

Subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary, the rules of the ESAS may be modified and/or altered by a resolution of the Committee provided that:

- (i) no modification and/or alteration shall adversely affect the rights attached to the ESAS Awards granted prior to such modification and/or alteration except with the consent in writing of the Selected Persons who, if their ESAS Awards were released to them, would thereby become entitled to not less than three-quarters in number of all the Shares which would be issued in full pursuant to all outstanding ESAS Awards under the ESAS;
- (ii) no modification and/or alteration shall be made to the ESAS without due compliance with the Catalist Rules and such other regulatory authorities as may be necessary; and
- (iii) any modification and/or alteration which would be to the advantage of the Selected Persons shall be subject to the prior approval of the Shareholders in a general meeting.

No modifications and/or alterations shall be made to the ESAS if, as a result the Selected Person receives a benefit that a Shareholder does not receive.

---

## LETTER TO SHAREHOLDERS

---

(h) Duration of the ESAS

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

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

The expiry or termination of the ESAS shall not affect ESAS Awards which have been granted to Selected Persons prior to such expiry or termination, whether such ESAS Awards have been released (whether fully or partially) or not.

### 3.4 **Financial effects of the ESAS**

Singapore Financial Reporting Standard 102 (“**SFRS 102**”) relating to share-based payment takes effect for all listed companies beginning 1 January 2005 and is applicable to the ESAS. The ESAS Awards, if settled by way of issue of New Shares or the purchase of existing Shares, would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the ESAS Awards would be recognised as a charge to the income statement over the period between the grant date and the vesting date of an ESAS Award. The total amount of the charge over the vesting period is determined by reference to the fair value of each ESAS Award granted at the grant date and where there are non-market conditions attached (see the following paragraph), the number of Shares vested at the vesting date, with a corresponding credit to reserve account. Before the end of the vesting period, at each accounting year end, the estimate of the number of ESAS Awards that are expected to vest by the vesting date is subject to revision, and the impact of the revised estimate will be recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to the income statement will be made. This accounting treatment has been referred to as the “modified grant date method” because the number of Shares included in the determination of the expense relating to employee services is adjusted to reflect the actual number of Shares that eventually vest but no adjustment is made to changes in the fair value of the Shares since the grant date.

The amount charged to the income statement would be the same whether the Company settles the ESAS Awards by issuing New Shares or by purchasing existing Shares. The amount of the charge to the income statement also depends on whether or not the Performance Target(s) attached to an ESAS Award is a “market condition”, that is, a condition which is related to the market price of the Shares. If the Performance Target(s) is a market condition, the probability of the Performance Target(s) being met is taken into account in estimating the fair value of the Shares granted at the grant date, and no adjustments to amounts charged to the income statement is made if the market condition is not met. On the other hand, if the Performance Target(s) is not a market condition, the probability of the target being met is not taken into account in estimating the fair value of the Shares granted at the grant date. Instead, it is subsequently considered at each accounting date in assessing whether the ESAS Awards would vest. Thus, where the vesting conditions do not include a market condition, there would be no charge to the income statement if the ESAS Awards do not ultimately vest.

In the event that the Selected Persons receive cash, the Company shall measure the fair value of the liability at grant date. Until the liability is settled, the Company shall re-measure the fair value of the liability at each accounting date and at the date of settlement, with changes in the fair value recognised in the income statement.

---

## LETTER TO SHAREHOLDERS

---

(a) Share capital

The ESAS will result in an increase in the Company's issued share capital when New Shares are issued to Selected Persons pursuant to the grant of the ESAS Awards. This will in turn depend on, *inter alia*, the number of Shares comprised in the ESAS Awards to be delivered.

There will not be an effect on the share capital if existing Shares are purchased from the market on behalf of Selected Persons or if the Company pays the equivalent cash value, upon the vesting of ESAS Awards.

(b) NTA

As described in Section 3.4(d) below, the ESAS will result in a charge to the Company's income statement over the period from the Date of Grant to the vesting date of the ESAS Awards. The amount of the charge will be computed in accordance with the grant date method under SFRS 102. If New Shares are issued under the ESAS, there would be no impact on the NTA. However, if instead of issuing New Shares to Selected Persons, existing Shares are purchased for delivery to Selected Persons, or the Company pays the equivalent cash value, the NTA would decrease by the cost of the Shares purchased or the cash payment, respectively.

However, it should be noted that the delivery of Shares to Selected Persons of the ESAS is contingent upon the Selected Persons meeting the Performance Target(s) or conditions set out in the ESAS.

(c) EPS

The ESAS will have a dilutive impact on the Company's consolidated EPS with the increase in the number of issued Shares to the extent that New Shares are allotted and issued pursuant thereto. The ESAS is likely to result in a charge to earnings over the period from the Date of the Grant to the vesting date of the ESAS Awards. The amount of the charge will be computed in accordance with the grant date method under SFRS102. Nonetheless, it should be noted that the delivery of Shares to the Selected Persons is contingent upon the Selected Persons meeting the prescribed Performance Target(s) and conditions set out in the ESAS.

(d) Costs to the Company

The Singapore Financial Reporting Standards will require the recognition of an expense in respect of ESAS Awards granted under the ESAS. The expense will be based on the fair value of the ESAS Awards at each grant date and recognised at each reporting date. This fair value may be derived by applying valuation techniques or option-pricing models. The requirement to recognise an expense in respect of ESAS Awards granted to employees is set out in SFRS 102.

### 3.5 Reporting requirements

(a) Announcement

Under the Catalist Rules, an immediate announcement must be made on the date of the grant of an ESAS Award and the Company shall provide details of the grant, including the following:-

- (i) Date of Grant;
- (ii) Market Price of the Shares on the Date of Grant;
- (iii) Number of Shares granted under the ESAS Award;

---

## LETTER TO SHAREHOLDERS

---

(iv) Number of Shares granted to each Director and Controlling Shareholder (and each of their Associates) under the ESAS Award, if any; and

(v) The Vesting Period in relation to the ESAS Award.

(b) Disclosures in the Annual Report

The Company shall make the following disclosures in its annual report (where applicable):-

(i) The names of the members of the Committee administering the ESAS;

(ii) The information in the table below for the following Selected Persons:-

(a) Selected Persons who are Directors;

(b) Selected Persons who are Controlling Shareholders and each of their Associates; and

(c) Selected Persons other than those in paragraphs (ii)(a) and (ii)(b) above, who receive five per cent (5%) or more of the total number of ESAS Awards available under the ESAS;

Name of Selected Person	ESAS Awards granted during the financial year under review (including terms)	Aggregate number of Shares comprised in ESAS Awards granted since commencement of ESAS to end of financial year under review	Aggregate number of Shares comprised in ESAS Awards which have vested since commencement of the ESAS to end of financial year under review, and in respect of such ESAS Awards, the proportion of Shares issued or transferred upon the release of the vested ESAS Awards	Aggregate number of Shares comprised in ESAS Awards outstanding as at end of financial year under review

(iii) In respect of ESAS Awards granted to directors and employees of the parent company and its subsidiaries:

(a) the names of and number and terms of ESAS Awards granted to each director or employee of the parent company and its subsidiaries who receives five per cent (5%) or more of the total number of ESAS Awards available to all directors and employees of the parent company and its subsidiaries under the ESAS, during the financial year under review; and

(b) the aggregate number of ESAS Awards granted to the directors and employees of the parent company and its subsidiaries for the financial year under review, and since the commencement of the ESAS to the end of the financial year under review; and

---

## LETTER TO SHAREHOLDERS

---

- (iv) 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 requirement is not applicable, an appropriate negative statement must be included.

### 3.6 Shareholders' approval

The proposed adoption of the ESAS is conditional upon the approval of the Shareholders at the EGM.

## 4. THE PROPOSED PARTICIPATION BY CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES IN THE ESAS

### 4.1 Rationale for participation of directors and employees who are Controlling Shareholders or their Associates

The Directors are of the view that directors and employees of the Group who are Controlling Shareholders or their Associates should be remunerated for their contribution to the Group on the same basis as other Group Employees who are not Controlling Shareholders or their Associates. Although Controlling Shareholders and their Associates already have shareholding interests in the Company, the extension of the ESAS to encompass them will ensure that they are equally entitled to take part and benefit from the ESAS. The ESAS is intended to be part of the remuneration package for Group Employees, and the Directors are of the view that Controlling Shareholders and their Associates should not be unduly discriminated against by virtue only of their shareholdings in the Company. The Directors are of the view that the extension of the ESAS to Controlling Shareholders and their Associates will enhance the long-term commitment of such Controlling Shareholders and their Associates as they will continue to have a stake in the Company even if they reduce their existing shareholding in the Company.

The terms and conditions of the ESAS do not differentiate between eligible Controlling Shareholders and their Associates from other Selected Persons in determining the eligibility of such persons to participate in the ESAS and be granted ESAS Awards thereunder. As such, eligible Controlling Shareholders and their Associates would be subject to the same rules as those applicable to other Selected Persons. Accordingly, the ESAS would not unduly favour such Controlling Shareholders and their Associates over other Selected Persons.

The Directors believe the inclusion of Controlling Shareholders and their Associates in the ESAS is in the best interest of the Group, as such Controlling Shareholders and their Associates will be able to set the direction of the Group, define objectives and roles of management and influence decisions made by the Group and thus stand in a unique position to contribute to the growth and prosperity of the Group.

Specific approval of independent Shareholders is required for the participation of Controlling Shareholders or their Associates in the ESAS as well as the actual number of Shares to be awarded under the ESAS. A separate resolution must be passed for each such Selected Person. In seeking such independent Shareholders' approval, clear justification as to their participation and number of Shares to be granted to the Controlling Shareholders or their Associates will be provided. Accordingly, the Company is of the view that there are sufficient safeguards against any abuse of the ESAS resulting from the participation of Controlling Shareholders and their Associates in the ESAS.

## LETTER TO SHAREHOLDERS

### 5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

#### 5.1 Interests of Directors and Substantial Shareholders

The interests (both direct and indirect) of the Directors and Substantial Shareholders in the issued share capital of the Company as at the Latest Practicable Date, are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
<b>Directors</b>						
Ng Chui Hwa <sup>(2)(3)</sup>	23,444,000	22.98	32,455,000	31.82	55,899,000	54.80
Yap Chin Hock (Ye Jinfu) <sup>(2)</sup>	13,094,000	12.84	–	–	13,094,000	12.84
Yap Bee Ling (Ye Meiling) <sup>(2)</sup>	6,007,000	5.89	–	–	6,007,000	5.89
Goh Boon Chye	–	–	–	–	–	–
Lim Kee Way Irwin	–	–	–	–	–	–
Lau Yan Wai	–	–	–	–	–	–
<b>Substantial Shareholder (other than Directors)</b>						
Yap Sian Lay	32,455,000	31.82	–	–	32,455,000	31.82

#### Notes:-

- (1) Based on the issued share capital of the Company of 102,000,000 Shares as at the Latest Practicable Date.
- (2) Ng Chui Hwa, is the spouse of Yap Sian Lay. Yap Chin Hock and Yap Bee Ling, are children of Ng Chui Hwa and Yap Sian Lay.
- (3) Ng Chui Hwa, is deemed to be interested in the Shares held by her spouse, Yap Sian Lay.

5.2 Save as disclosed in this Circular, none of the Directors or the Substantial Shareholders (other than in his capacity as a Director or Shareholder) has any interest, direct or indirect, in the proposed Share Buyback Mandate and ESAS.

### 6. DIRECTORS' RECOMMENDATION

#### 6.1 Proposed Share Buyback Mandate

After having considered the rationale and the information relating to the Share Buyback Mandate, the Directors are of the opinion that the proposed Share Buyback Mandate is in the best interests of the Company, and accordingly, recommend that Shareholders vote in favour of the Ordinary Resolution 1 in respect of the Share Buyback Mandate as set out in the Notice of EGM.

#### 6.2 Proposed Adoption of the ESAS

All of the Directors are eligible to participate in, and are therefore interested in the ESAS. Accordingly, the Directors have abstained from making any recommendation to Shareholders on Ordinary Resolution 2 in respect of the proposed adoption of the ESAS as set out in the Notice of EGM.

#### 6.3 Proposed Participation by Controlling Shareholders and their Associates in the ESAS

All of the Directors are eligible to participate in, and are therefore, interested in the ESAS. Accordingly, the Directors have abstained from making any recommendation to Shareholders on Ordinary Resolution 3 in respect of participation by Controlling Shareholders and their Associates in the ESAS as set out in the Notice of EGM.

---

## LETTER TO SHAREHOLDERS

---

### 7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page N-1 of this Circular, will be held at Raffles Marina, 10 Tuas West Drive, Singapore 638404 on 28 August 2015 at 11 a.m. (or as soon thereafter following the conclusion or adjournment of the AGM to be held on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the Notice of EGM.

### 8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf must complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Company's registered office at 22 Pandan Road, Singapore 609274, not less than 48 hours before the time fixed for the EGM.

The completion and return of a proxy form by a Shareholder does not preclude him from attending and voting in person at the EGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the time fixed for the EGM.

### 9. ABSTENTION FROM VOTING

Shareholders who are entitled to participate in the ESAS, shall abstain from voting at the EGM on Ordinary Resolutions 2 and 3 in relation to the ESAS. Such Shareholders will not accept appointment as proxies or otherwise for voting at the EGM in respect of such Ordinary Resolutions unless specific instructions have been given in the proxy form on how the Shareholders wish their votes to be cast for each of the Ordinary Resolutions to be proposed at the EGM.

All the Directors will be eligible to participate in the ESAS. Therefore, the Directors (who are also Shareholders) shall also abstain and shall procure his or her Associates to abstain from voting at the EGM on Ordinary Resolutions 2 and 3 in relation to the ESAS. Such Directors will not accept appointments as proxies for voting at the EGM in respect of such Ordinary Resolutions unless specific instructions have been given in the proxy form on how the Shareholders wish their votes to be cast for each of the Ordinary Resolutions to be proposed at the EGM.

Ordinary Resolution 3 is subject to and contingent upon the approval of Ordinary Resolution 2.

### 10. 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 Share Buyback Mandate, the proposed adoption of the ESAS, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.



---

## LETTER TO SHAREHOLDERS

---

### 11. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 22 Pandan Road, Singapore 609274, during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the Annual Report of the Company for FY2015; and
- (c) the rules of the ESAS.

Yours faithfully

For and on behalf of the Board of Directors

Yap Chin Hock

Executive Director and Chief Executive Officer

---

**APPENDIX A**  
**RULES OF THE MS HOLDINGS SHARE AWARD SCHEME**

---

**1. NAME OF THE ESAS**

This ESAS shall be called the “MS Holdings Share Award Scheme”.

**2. DEFINITIONS**

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

“Act”	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
“Adoption Date”	:	The date on which the ESAS is adopted by resolution of the Shareholders
“Associate”	:	Shall have the same meaning as defined in the Catalyst Rules or any other publication prescribing rules or regulations for corporations admitted to the Official List of the SGX-ST, as modified, supplemented or amended from time to time
“Auditors”	:	The auditors for the time being of the Company
“Board”	:	The board of Directors for the time being of the Company
“CDP”	:	The Central Depository (Pte) Limited
“Catalist Rules”	:	The SGX-ST Listing Manual, Section B: Rules of Catalist, as amended, supplemented or modified from time to time
“Committee”	:	The Remuneration Committee of the Company for the time being, duly authorised and appointed by the Board to administer the ESAS pursuant to the Rules
“Company”	:	MS Holdings Limited
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	:	A person who:-  (a) holds directly or indirectly fifteen per cent (15%) or more of the nominal amount of all voting shares in the Company; or  (b) in fact exercises control over the Company
“Date of Grant”	:	In relation to an ESAS Award, the date on which the ESAS Award is granted to a Selected Person
“Director”	:	A director for the time being of the Company
“ESAS”	:	The MS Holdings Share Award Scheme, as the same may be modified or altered from time to time

---

**APPENDIX A**  
**RULES OF THE MS HOLDINGS SHARE AWARD SCHEME**

---

“ESAS Award”	:	A contingent award of Shares granted under Rule 5
“ESAS Award Letter”	:	A letter in such form as the Committee shall approve confirming an ESAS Award granted to a Selected Person by the Committee
“Financial Year” or “FY”	:	The financial year of the Company ended or ending 30 April as the case may be
“Group”	:	The Company and its Subsidiaries
“Group Employee”	:	A full-time employee of the Group (including any Group Executive Director)
“Group Executive Director”	:	A director from time to time of the Group, holding office in an executive capacity in the Group
“Group Non-Executive Director”	:	A director (including an independent Director) from time to time of the Group, other than a Group Executive Director, including an independent Director
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“Market Price”	:	The average of the last dealt price for a Share as determined by reference to the last dealt prices of the Shares on SGX-ST for the five (5) consecutive Market Days immediately preceding the date on which the ESAS Award shall be vested
“month”	:	Calendar month
“New Shares”	:	The new Shares which may be allotted and issued from time to time pursuant to the vesting of ESAS Awards granted under the ESAS
“Performance-related ESAS Award”	:	An ESAS Award in relation to which a Performance Target is specified
“Performance Period”	:	In relation to a Performance-related ESAS Award, a period, the duration of which is to be determined by the Committee on the Date of Grant, during which the Performance Target(s) is to be satisfied
“Performance Target(s)”	:	In relation to a Performance-related ESAS Award, the performance target(s) prescribed by the Committee to be fulfilled by a Selected Person for any particular period under the ESAS
“Record Date”	:	The date as at the close of business (or such other time as may have been prescribed by the Company) on which Shareholders must be registered with the Company or CDP, as the case may be, in order to participate in the dividends, rights, allotments or other distributions (as the case may be)

---

**APPENDIX A**  
**RULES OF THE MS HOLDINGS SHARE AWARD SCHEME**

---

“Release”	:	In relation to an ESAS Award, the release at the end of the Vesting Period relating to that ESAS Award of all or some of the Shares to which that ESAS Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the ESAS Award are not released pursuant to Rule 7, the ESAS Award in relation to those Shares shall lapse accordingly, and “Released” shall be construed accordingly
“Released ESAS Award”	:	An ESAS Award in respect of which the Vesting Period relating to that ESAS Award has ended and which has been released in accordance with Rule 7
“Rules”	:	Rules of the ESAS and any reference to a particular Rule shall be construed accordingly
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“Selected Person”	:	A person, being a Group Employee (including a Group Executive Director) and/or Group Non-Executive Director, who is selected by the Committee to participate in the ESAS in accordance with the provisions of the ESAS
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shares”	:	Ordinary shares in the capital of the Company
“Shareholders”	:	The registered holders of Shares in the register of members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with those Shares
“Subsidiaries”	:	A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of Section 5 of the Act and “Subsidiary” shall be construed accordingly
“Vesting”	:	In relation to Shares which are the subject of a Released ESAS Award, the absolute entitlement to all or some of the Shares which are the subject of a Released ESAS Award and “Vest” and “Vested” shall be construed accordingly
“Vesting Date”	:	In relation to Shares which are the subject of a Released ESAS Award, the date (as determined by the Committee and notified to the relevant Selected Person) on which those Shares have vested pursuant to Rule 7
“Vesting Period”	:	In relation to an ESAS Award, a period or periods, the duration of which is to be determined by the Committee at the Date of Grant

---

**APPENDIX A**  
**RULES OF THE MS HOLDINGS SHARE AWARD SCHEME**

---

“S\$” : Singapore dollars

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

- 2.2 The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them, respectively, in Section 130A of the Act or any statutory modification thereof, as the case may be.
- 2.3 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.
- 2.4 Any reference to a time of a day in the ESAS is a reference to Singapore time.
- 2.5 Any reference in the ESAS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in the ESAS shall have the meaning assigned to it under the Act as the case may be.

### **3. OBJECTIVES OF THE ESAS**

The ESAS is a performance incentive scheme which will form an integral part of the Group’s incentive compensation program.

The purpose of the ESAS is to provide an opportunity for Group Employees and Group Executive Directors, who have met Performance Target(s) to be remunerated not just through cash bonuses but also by an equity stake in the Company. The ESAS is also extended to the Group Non-Executive Directors.

The Company believes that the retention of outstanding employees within the Group is paramount to the Group’s long-term objective of pursuing continuous growth and expansion in its business and operations. Through the implementation of the ESAS, the Company hopes to provide an opportunity for Selected Persons to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long term prosperity of the Group and promoting organisational commitment, dedication and loyalty of Selected Persons towards the Group.

The Group also acknowledges that it is important to preserve financial resources for future business developments and to withstand difficult times. As such, one of the Group strategies is to contain the remuneration of its employees and executives that is a major component of the Group’s operating costs.

The ESAS is formulated with these objectives in mind. It is hoped that through the ESAS, the Company would be able to remain an attractive and competitive employer and better able to manage its fixed overhead costs without compromising on performance standards and efficiency.

### **4. ELIGIBILITY OF SELECTED PERSONS**

- 4.1 Any person shall be eligible to participate in the ESAS at the absolute discretion of the Committee if at the Date of Grant:-
- (a) he shall be:-
- (i) a Group Employee;
  - (ii) a Group Executive Director;

---

**APPENDIX A**  
**RULES OF THE MS HOLDINGS SHARE AWARD SCHEME**

---

- (iii) a Group Non-Executive Director (including independent Director) who, in the opinion of the Committee, has contributed or will contribute to the success and development of the Group;
  - (b) he shall have attained the age of twenty-one (21) years; and
  - (c) he shall not be an undischarged bankrupt and must not have entered into a composition with his creditors.
- 4.2 Group Employees, Group Executive Directors and Group Non-Executive Directors who are also Controlling Shareholders or Associates of a Controlling Shareholder are also eligible to participate in the ESAS provided that the terms of each grant and the actual number of ESAS Awards granted under the ESAS to a Selected Person who is a Controlling Shareholder or an Associate of a Controlling Shareholder shall be approved by the independent Shareholders in a separate resolution.
- 4.3 The participation of the Controlling Shareholders or Associates of a Controlling Shareholder is subject to the following:-
- (a) written justification has been provided to Shareholders for their participation at the introduction of the ESAS or prior to the first grant of ESAS Awards to them;
  - (b) the actual number and terms of any ESAS Awards to be granted to them have been specifically approved by independent Shareholders in a general meeting in separate resolutions for each such Controlling Shareholder or his Associates;
  - (c) all conditions for their participation in the ESAS as may be required by the regulation of the SGX-ST from time to time are satisfied;
  - (d) the aggregate number of Shares comprised in ESAS Awards granted to Controlling Shareholders or Associate(s) of a Controlling Shareholders under the ESAS shall not exceed twenty-five per cent (25%) of the total number of Shares (comprised in ESAS Awards and/or options) which may be granted under the ESAS and such other share-based incentive schemes of the Company; and
  - (e) the aggregate number of Shares in respect of ESAS Awards granted to each Controlling Shareholder or Associate(s) of a Controlling Shareholder shall not exceed ten per cent (10%) of the total number of Shares (comprised in ESAS Awards and/or options) which may be granted under the ESAS and such other share-based incentive schemes of the Company.
- 4.4 For the purposes of this paragraph, the secondment of a Group Employee from one company within the Group to another company within the Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full-time employee of the Group.
- 4.5 There shall be no restriction on the eligibility of any Selected Person to participate in any other share option or share incentive schemes implemented by the Company or any other company within the Group.
- 4.6 Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the ESAS may be amended from time to time at the absolute discretion of the Committee.
- 4.7 The eligibility of Selected Persons to participate in the ESAS, and the number of Shares which are the subject of each ESAS Award to be granted to a Selected Person in accordance with the ESAS and the Vesting Period shall be determined at the absolute discretion of the Committee.

---

**APPENDIX A**  
**RULES OF THE MS HOLDINGS SHARE AWARD SCHEME**

---

**5. GRANT OF ESAS AWARDS**

5.1 Subject as provided in Rule 8, the Committee may grant ESAS Awards to Group Employees, Group Executive Directors and Group Non-Executive Directors as the Committee may select in its absolute discretion, at any time during the period when the ESAS is in force.

5.2 The Committee shall decide, in its absolute discretion, in relation to each ESAS Award:-

- (a) the Selected Person;
- (b) the Date of Grant;
- (c) the number of Shares which are the subject of the ESAS Award;
- (d) the Performance Target(s) for the Selected Person, if deemed necessary;
- (e) the prescribed Vesting Period(s);
- (f) the extent to which Shares which are the subject of that ESAS Award shall be Released at the end of each prescribed Vesting Period;
- (g) in relation to a Performance-related ESAS Award, the extent to which the Shares under that ESAS Award shall be Released on the prescribed Performance Target(s) being satisfied (whether fully or partially) or exceeded, as the case may be, at the end of the prescribed Performance Period and upon the expiry of the prescribed Vesting Period. Subject to Rule 5.3, no Shares under the ESAS Award shall be Released for the portion of the prescribed Performance Target(s) which is not satisfied by the Selected Person at the end of the prescribed Performance Period and upon the expiry of the prescribed Vesting Period; and
- (h) such other conditions which the Committee may determine in its sole discretion in relation to that ESAS Award.

5.3 The Committee may amend or waive the Performance Period and/or the Performance Target(s) in respect of any ESAS Award in the case of a Performance-related ESAS Award, if anything happens which causes the Committee to conclude that:-

- (a) a changed Performance Target(s) would be a fairer measure of performance, and would be no less difficult to satisfy; or
- (b) the Performance Target(s) should be waived as the Selected Person has achieved a level of performance that the Committee considers satisfactory notwithstanding that the Performance Target(s) may not have been fulfilled,

and shall notify the Selected Persons of such change or waiver (but accidental omission to give notice to any Selected Person(s) shall not invalidate any such change or waiver).

5.4 The selection of a Selected Person and the number of Shares which are the subject of each ESAS Award to be granted to a Selected Person in accordance with the ESAS shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and the extent of effort required to achieve the Performance Target(s) within the performance period.

---

**APPENDIX A**  
**RULES OF THE MS HOLDINGS SHARE AWARD SCHEME**

---

- 5.5 As soon as reasonably practicable after making an ESAS Award, the Committee shall send to each Selected Person an ESAS Award Letter confirming the ESAS Award and specifying in relation to the ESAS Award:-
- (a) the Date of Grant;
  - (b) the number of Shares which are the subject of the ESAS Award;
  - (c) the prescribed Vesting Period(s);
  - (d) the extent to which Shares which are the subject of that ESAS Award shall be released at the end of each prescribed Vesting Period;
  - (e) in the case of a Performance-related ESAS Award, the Performance Period and the Performance Target(s); and
  - (f) such other conditions which the Committee may determine in relation to that ESAS Award.
- 5.6 Selected Persons are not required to pay for the grant of ESAS Awards.
- 5.7 An ESAS Award or Released ESAS Award shall be personal to the Selected Person to whom it is granted and no ESAS Award or Released ESAS Award or any rights thereunder shall be transferred, charged, assigned, pledged, mortgaged, encumbered or otherwise disposed of, in whole or in part, and if a Selected Person shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an ESAS Award or Released ESAS Award, that ESAS Award or Released ESAS Award shall immediately lapse.

**6. EVENTS PRIOR TO THE VESTING DATE**

- 6.1 An ESAS Award, to the extent not yet Released, shall forthwith become void and cease to have effect on the occurrence of any of the following events (and in such an event, the Selected Person shall have no claim whatsoever against the Company, its Directors or employees):-
- (a) a Selected Person, being a Group Employee, ceasing for any reason whatsoever (including but not limited to ill health, injury or disability), to be in the employment of the Company and/or the relevant Subsidiary or in the event the company by which the Group Employee is employed ceases to be a company in the Group;
  - (b) a Selected Person, being a Group Executive Director or a Group Non-Executive Director, ceasing to be a director of the Company and/or the relevant Subsidiary, as the case may be, for any reason whatsoever;
  - (c) upon the bankruptcy of the Selected Person or the happening of any other event which results in him being deprived of the legal or beneficial ownership of or interest in such ESAS Award; or
  - (d) if a Selected Person dies before an ESAS Award is Released, the ESAS Award shall in such circumstances be given to the personal representatives of the Selected Person;
  - (e) a Selected Person commits any breach of any of the terms of his ESAS Award; and/or
  - (f) misconduct on the part of a Selected Person as determined by the Committee in its discretion.



---

**APPENDIX A**  
**RULES OF THE MS HOLDINGS SHARE AWARD SCHEME**

---

- 6.2 For the purpose of Rules 6.1(a) above, a Group Employee shall be deemed to have ceased to be in the employment of the Company or a Subsidiary (as the case may be) on the date on which he gives notice of termination of employment, unless prior to the date on which termination takes effect, the Group Employee has with the consent of the Company or the Subsidiary (as the case may be) withdrawn such notice.
- 6.3 For the purpose of Rule 6.1(b), a Selected Person shall be deemed to have ceased to be a Group Executive Director or Group Non-Executive Director as of the date the notice of resignation or termination of directorship, as the case may be, is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.
- 6.4 The Committee may in its absolute discretion and on such terms and conditions as it deems fit, preserve all or any part of any ESAS Award notwithstanding the provisions of any other Rules including Rules 6.1 and 7. Further to such exercise of discretion, the ESAS Awards shall be deemed not to have become void nor cease to have effect in accordance with the relevant provisions in Rule 6.1.
- 6.5 Notwithstanding any rules herein save for Rule 6.9, in the event of a take-over being made for the Shares, in relation to Performance-related ESAS Awards, a Selected Person shall be entitled to ESAS Awards if he has met the Performance Target(s) within the period commencing on the date on which such offer for a take-over of the Company is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:-
- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the last day of date on which the Performance Target(s) are to be fulfilled); or
  - (b) the date of expiry of the period for which the Performance Period are to be fulfilled.
- Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Act and, being entitled to do so, gives notice to the Selected Persons that it intends to exercise such rights on a specified date, the Selected Persons shall be obliged to fulfill such Performance Target(s) until the expiry of such specified date or the expiry date of the Performance Period relating thereto, whichever is earlier, before an ESAS Award can be vested.
- 6.6 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Selected Person shall be entitled, notwithstanding any rules herein save for Rule 6.9, to any ESAS Awards so determined by the Committee to be vested in him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later.
- 6.7 If an order is made for the winding-up of the Company on the basis of its insolvency, all ESAS Awards, notwithstanding that they may have been so vested shall be deemed or become null and void.
- 6.8 In relation to Performance-related ESAS Awards, in the event of a members' voluntary winding-up (other than for amalgamation or reconstruction), the ESAS Awards shall so vest in the Selected Persons for so long as, in the absolute determination by the Committee, the Selected Persons have met the Performance Target(s) prior to the date that the members' voluntary winding-up shall be deemed to have been commenced or effective in law.

---

## APPENDIX A

### RULES OF THE MS HOLDINGS SHARE AWARD SCHEME

---

- 6.9 If in connection with the making of a general offer referred to in Rule 6.5 or the scheme referred to in Rule 6.6 or the winding-up referred to in Rule 6.8, 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 Selected Persons, whether by the payment of cash or by any other form of benefit, no ESAS Award shall be made in such circumstances.

#### 7. RELEASE OF ESAS AWARDS

- 7.1 Subject to legislation and rules of the SGX-ST such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to the compliance with the terms of the ESAS and the Memorandum and Articles of Association of the Company, the Company will have the flexibility to deliver Shares to Selected Persons upon Vesting of their ESAS Awards by the following means as it deems fit in its sole and absolute discretion:-

- (a) the allotment and issue to each Selected Person of the number of New Shares, deemed to be fully paid or credited upon their allotment and issuance;
- (b) delivering existing Shares to the Selected Persons, whether such existing Shares are acquired pursuant to a share purchase mandate or (to the extent permitted by law) held as treasury shares or otherwise; and/or
- (c) payment of the aggregate Market Price of the Shares in cash in lieu of allotment or transfer.

In determining whether to issue New Shares, or to purchase existing Shares to satisfy ESAS Awards, the Committee shall have the right to take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of either issuing New Shares or purchasing existing Shares.

The Committee will take into account factors such as (but not limited to) the cost to the Company of releasing an ESAS Award, wholly or partly, in the form of cash rather than Shares. In considering the cost factor, the Committee will take into account relevant factors such as taxation issues arising from the issue of New Shares and/or purchase of existing Shares and the payment of cash, the availability of cash for payment and the cost of funding the cash payment, if necessary.

- 7.2 In relation to each Performance-related ESAS Award, as soon as reasonably practicable after the end of the relevant Performance Period, the Committee shall review the Performance Target(s) specified in respect of that ESAS Award and determine whether it has been satisfied and, if so, the extent to which it has been satisfied.

The Committee shall have the discretion to determine whether the Performance Target(s) has been satisfied (whether fully or partially) or exceeded and, in making any such determination, the Committee shall have the right to make reference to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events.

Subject to the following:-

- (a) in relation to a Performance-related ESAS Award, the Committee having determined that the Performance Target(s) has been satisfied;
- (b) the relevant Selected Person (being a Group Employee) having continued to be a Group Employee from the Date of Grant up to the end of the relevant Vesting Period;
- (c) the Committee being of the opinion that the job performance of the relevant Selected Person has been satisfactory;

---

**APPENDIX A**  
**RULES OF THE MS HOLDINGS SHARE AWARD SCHEME**

---

- (d) such consents (including any approvals required by the SGX-ST) as may be necessary;
- (e) compliance with the terms of the ESAS Award, the ESAS, the Memorandum and Articles of Association of the Company;
- (f) where Shares are to be allotted or transferred on the release of an ESAS Award, the Selected Person having a Securities Account with CDP and compliance with the applicable requirements of CDP; and
- (g) where new Shares are to be allotted on the release of an ESAS Award, the Company being satisfied that the Shares which are the subject of the Released ESAS Award will be listed for quotation on the SGX-ST,

if the Committee determines in its sole discretion that the Performance Target(s) has not been satisfied or if the relevant Selected Person (being a Group Employee) has not continued to be a Group Employee from the Date of Grant up to the end of the relevant Performance Period, that ESAS Award shall lapse and be of no value.

- 7.3 The Company shall release Shares to Selected Person(s) to which his ESAS Award relates on the Vesting Date upon the expiry of each Vesting Period in relation to an ESAS Award. Shares which are the subject of a Released ESAS Award shall be vested to a Selected Person on the Vesting Date, which shall be a Market Day falling as soon as practicable after the Release of such ESAS Award and, the Company shall within ten (10) Market Days after the Vesting Date, allot the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit, or in the case of a transfer of Shares, do such acts or things which are necessary for the transfer to be effective.
- 7.4 Where new Shares are allotted upon the Vesting of any ESAS Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for the listing and quotation of such Shares.
- 7.5 Shares which are allotted or transferred on the Release of an ESAS Award to a Selected Person shall be registered in the name of, or transferred to, CDP to the credit of the Securities Account of that Selected Person maintained with CDP or the securities sub-account of that Selected Person maintained with a Depository Agent.
- 7.6 New Shares allotted and issued and/or Shares transferred, upon the Release of an ESAS Award shall:-
- (a) be subject to all the provisions of the Memorandum and Articles of Association of the Company; and
  - (b) rank for any dividend, right, allotment or other distribution on the Record Date of which is on or after the relevant Vesting Date and (subject as aforesaid) will rank *pari passu* in all respects with the Shares then existing.
- 7.7 If payment in cash for the aggregate Market Price of the Shares is to be made in lieu of allotment or transfer, the payment shall be made within ten (10) Market Days after the Vesting Date of the ESAS Award.
- 7.8 The “aggregate Market Price” of the Shares to be paid to a Selected Person in lieu of allotment or transfer, shall be calculated in accordance with the following formula:-

$$A = B \times C$$

---

**APPENDIX A**  
**RULES OF THE MS HOLDINGS SHARE AWARD SCHEME**

---

Where:

- A is the aggregate Market Price of the Shares to be paid to the Selected Person in lieu of all or some of the Shares to be issued or transferred upon the Release of an ESAS Award;
- B is the Market Price of each Share; and
- C is such number of Shares (as determined by the Committee in its sole and absolute discretion) to be vested to a Selected Person upon the Release of the ESAS Award in accordance with these rules.

**8. LIMITATION ON THE SIZE OF THE ESAS**

The total number of new Shares which may be issued pursuant to ESAS Awards granted on any date, when added to the number of new Shares issued and/or issuable in respect of all ESAS Awards granted under the ESAS and any other share-based incentive schemes of the Company, shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares) from time to time.

In addition, the following limits must not be exceeded:

- (a) the aggregate of the number of new Shares which may be issued pursuant to ESAS Awards granted to the Controlling Shareholders and their Associate(s) under the ESAS shall not exceed twenty five per cent. (25%) of the total number of Shares comprised in ESAS Awards which may be granted under the ESAS; and
- (b) the aggregate of the number of new Shares which may be issued pursuant to ESAS Awards granted to each Controlling Shareholder and his Associate(s) under the ESAS shall not exceed ten per cent. (10%) of the total number of Shares comprised in ESAS Awards which may be granted under the ESAS.

The number of existing Shares which may be purchased from the market for delivery pursuant to the Release of ESAS Awards granted under the ESAS, will not be subject to any limit. Alternatively, the Company may make a release of ESAS Awards in cash instead of Shares and Selected Persons entitled to such ESAS Awards will receive in lieu of Shares, the aggregate market value of such Shares. Such methods will not be subject to any limit as they do not involve the issue of any New Shares.

**9. ADJUSTMENT EVENTS**

9.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves, rights issue, capital reduction, sub-division, consolidation of Shares, distribution or otherwise) shall take place, then:-

- (a) the number of Shares which are the subject of an ESAS Award to the extent not yet vested and the rights attached thereto; and/or
- (b) the number of Shares in respect of which ESAS Awards may be granted under the ESAS,

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

9.2 Unless the Committee considers an adjustment to be appropriate:-

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;

---

**APPENDIX A**  
**RULES OF THE MS HOLDINGS SHARE AWARD SCHEME**

---

- (b) the increase in the number of issued Shares as a consequence of the exercise of options or other convertibles entitling holders of such options or convertibles to acquire Shares in the capital of the Company;
- (c) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force; and
- (d) the increase in the issued share capital of the Company as a consequence of the delivery of New Shares pursuant to the Vesting of the ESAS Awards from time to time by the Company or through any other share-based incentive schemes implemented by the Company,

shall not normally be regarded as a circumstance requiring adjustment.

**9.3 Notwithstanding the provisions of Rule 9.1:-**

- (a) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable; and
- (b) no adjustment shall be made if as a result, the Selected Person receives a benefit that a Shareholder does not receive.

**9.4** Upon any adjustment being made pursuant to this Rule 9.1, the Company shall notify the Selected Person (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the number of Shares thereafter to be issued or transferred on the Vesting of an ESAS Award and the date on which such adjustment shall take effect.

**9.5** Notwithstanding the provisions of Rule 9.1 or that no adjustment is required under the provisions of the ESAS, the Committee may, in any circumstances where it considers that no adjustment should be made or that it should take effect on a different date or that an adjustment should be made to any of the matters referred to in Rule 9.1 notwithstanding that no adjustment is required under the said provisions (as the case may be), request the Auditors to consider whether for any reasons whatsoever the adjustment or the absence of an adjustment is appropriate or inappropriate as the case may be, and, after such consideration, no adjustment shall take place or the adjustment shall be modified or nullified or an adjustment made (instead of no adjustment made) in such manner and on such date as shall be considered by such Auditors (acting only as experts and not as arbitrators) to be in their opinion appropriate.

**10. ADMINISTRATION OF THE ESAS**

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

**10.2** The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the ESAS) for the implementation and administration of the ESAS, to give effect to the provisions of the ESAS and/or to enhance the benefit of the ESAS Awards and the Released ESAS Awards to the Selected Persons, as it may, in its absolute discretion, think fit.

---

**APPENDIX A**  
**RULES OF THE MS HOLDINGS SHARE AWARD SCHEME**

---

- 10.3 Any decision of the Committee made pursuant to any provision of the ESAS (other than a matter to be certified by the Auditors) shall be final and binding (including any decisions pertaining to the number of Shares to be vested) or to disputes as to the interpretation of the ESAS or any rule, regulation, procedure thereunder or as to any rights under the ESAS).
- 10.4 The Company shall bear the costs of establishing and administering the ESAS.
- 10.5 Neither the ESAS nor the grant of ESAS Awards under the ESAS shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with:
- (a) the lapsing of any ESAS Awards pursuant to any provision of the ESAS;
  - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of any discretion under the ESAS; and/or
  - (c) any decision or determination of the Committee made pursuant to any provision of the ESAS.

**11. NOTICES AND COMMUNICATIONS**

- 11.1 A Selected Person shall not by virtue of being granted any ESAS Award be entitled to receive copies of any notices or other documents sent by the Company to the Shareholders.
- 11.2 Any notice or other communication between the Company and a Selected Person may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its registered office and, in the case of the Selected Person, his address as notified by him to the Company from time to time.
- 11.3 Any notice or other communication sent by post:-
- (a) by the Company shall be deemed to have been received twenty-four (24) hours after the same was put in the post properly addressed and stamped; and
  - (b) by the Selected Person shall be deemed to have been received when the same is received by the Company at the registered office of the Company.

**12. MODIFICATIONS TO THE ESAS**

- 12.1 Any or all the provisions of the ESAS may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:-
- (a) no modification or alteration shall be made which would adversely affect the rights attached to any ESAS Award granted prior to such modification or alteration except with the prior consent in writing of such number of Selected Persons who, if their ESAS Awards were Released to them upon the expiry of all the Vesting Periods applicable to their ESAS Awards, would be entitled to not less than three-quarters of the aggregate value of the Shares which would fall to be vested upon the Release of all outstanding ESAS Awards upon the expiry of all the Vesting Periods applicable to all such outstanding ESAS Awards;
  - (b) no modification or alteration which would be to the advantage of Selected Persons shall be made except with the prior approval of the Shareholders of the Company in general meeting; and
  - (c) no modification or alteration shall be made without due compliance with the Catalist Rules and such other regulatory authorities as may be necessary.

---

**APPENDIX A**  
**RULES OF THE MS HOLDINGS SHARE AWARD SCHEME**

---

For the purpose of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any ESAS Award shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the ESAS or adjust any ESAS Award.

- 12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST if required) amend or alter the ESAS in any way to the extent necessary to cause the ESAS 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).
- 12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Selected Persons but accidental omission to give notice to any Selected Person(s) shall not invalidate any such modifications or alterations.

**13. TERMS OF EMPLOYMENT UNAFFECTED**

Notwithstanding the provisions of any other Rule:-

- (a) the ESAS or any ESAS Award shall not form part of any contract of employment between the Company and/or any Subsidiary and/or any Group Employee, Group Executive Director or Group Non-Executive Director and the rights and obligations of any individual under the terms of the office or employment with any such company shall not be affected by his participation in the ESAS or any right which he may have to participate in it or any ESAS Award which he may be granted and the ESAS or any ESAS Award 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 (whether lawful or not); and
- (b) the ESAS shall not confer on any person any legal or equitable rights (other than those constituting the ESAS Awards 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 any such company, its directors or employees.

**14. DURATION OF THE ESAS**

- 14.1 The ESAS shall continue to be in operation at the discretion of the Committee for a maximum period of ten (10) years commencing on the Adoption Date, provided always that the ESAS may, subject to applicable laws and regulations, continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 14.2 The ESAS may be terminated at any time by the Committee and by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the ESAS is so terminated, no further ESAS Awards shall be granted by the Company hereunder.
- 14.3 The termination of the ESAS shall not affect ESAS Awards which have been granted, whether such ESAS Awards have been Released (whether fully or partially) or not.

**15. ANNUAL REPORT DISCLOSURE**

In compliance with disclosure requirements and/or Catalist Rules and/or applicable laws, the Company will disclose information relating to ESAS Awards granted pursuant to the ESAS, including but not limited to disclosures relating to the following in its annual reports during the operation of the ESAS:

- (a) the names of the members of the Committee;

**APPENDIX A**  
**RULES OF THE MS HOLDINGS SHARE AWARD SCHEME**

(b) the information required in the table below for the following Selected Persons:

- (1) Directors;
- (2) Controlling Shareholders and each of their Associates; and
- (3) Selected Persons (other than those in paragraphs 15(b)(1) and 15(b)(2) above) who receive Shares pursuant to the Release of ESAS Awards granted under the ESAS which in aggregate, represent five per cent (5%) or more of the total number of Shares available under the ESAS;

Name of Selected Person:			
Selected Person's corporate rank/title:			
The following particulars relating to ESAS Awards granted under the ESAS:			
ESAS Awards granted during financial year under review	Aggregate number of Shares comprised in ESAS Awards granted since commencement of ESAS to end of financial year under review	Aggregate number of Shares comprised in ESAS Awards which have vested since commencement of the ESAS to end of financial year under review, and in respect of such ESAS Awards, the proportion of Shares issued or transferred upon the release of the vested ESAS Awards	Aggregate number of Shares comprised in ESAS Awards outstanding as at end of financial year under review

(c) In respect of ESAS Awards granted to the directors and employees of the parent company and its subsidiaries:

- (1) the names of and number and terms of grant of Shares comprised in ESAS Awards to each director or employee of the parent company and its subsidiaries who receives five per cent (5%) or more of the total number of ESAS Awards available to all directors and employees of the parent company and its subsidiaries under the ESAS, during the financial year under review; and
- (2) the aggregate number of Shares comprised in ESAS Awards granted to the directors and employees of the parent company and its subsidiaries for the financial year under review, and since the commencement of the ESAS to the end of the financial year under review;

(d) 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.



---

## **APPENDIX A**

### **RULES OF THE MS HOLDINGS SHARE AWARD SCHEME**

---

An immediate announcement must be made on the date of the grant of an ESAS Award and the Company shall provide details of the grant, including the following:-

- (a) Date of Grant;
- (b) Market Price of the Shares on the date of grant of the ESAS Award;
- (c) Number of Shares granted under the ESAS Award;
- (d) Number of ESAS Awards granted to each Director and Controlling Shareholder (and each of their Associates) under the ESAS, if any; and
- (e) the Vesting Period in relation to the ESAS Award.

#### **16. TAXES, COSTS AND EXPENSES OF THE ESAS**

- 16.1 Notwithstanding anything herein, each Selected Person shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares or transfer of Shares pursuant to the Release of any ESAS Award in CDP's name, the deposit of share certificate(s) with CDP, the Selected Person's Securities Account, or the Selected Person's securities sub-account with a CDP Depository Agent.
- 16.2 The Selected Persons shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or Vesting of the relevant ESAS Award. All taxes (including income tax) arising from the grant or Vesting of any ESAS Award under the ESAS shall be borne by that Selected Person. The Company shall not be responsible for any failure by the Selected Person to obtain any such consent or for any tax or other liability to which the Selected Person may become subject to as a result of his participation in the ESAS.

#### **17. DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained, the Company, its Directors or employees or the Committee shall not under any circumstances be held liable for any costs, losses, expenses liabilities or damages whatsoever and howsoever arising in respect of any matter under or in connection with the ESAS, including but not limited to any delay or failure to issue the Shares or procure the transfer of the Shares or to apply for or procure the listing of New Shares on the SGX-ST in accordance with Rules 7.3 and 7.4 (and any other stock exchange on which the Shares are quoted or listed).

#### **18. DISPUTES**

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

#### **19. GOVERNING LAW**

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

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

### MS HOLDINGS LIMITED

(Company Registration No.: 201414628C)  
(Incorporated in the Republic of Singapore)

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“EGM”) of **MS HOLDINGS LIMITED** (the “**Company**”) will be held at Raffles Marina, 10 Tuas West Drive, Singapore 638404 on 28 August 2015 at 11 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10 a.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 used in this notice which are not otherwise defined shall have the same meaning as ascribed to them in the Company’s circular to its shareholders dated 12 August 2015.*

#### **ORDINARY RESOLUTION 1: PROPOSED SHARE BUYBACK MANDATE**

THAT:

- (1) for the purposes of the Catalist Rules and the Act, the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Maximum Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:
  - (a) market purchase(s) (each a “**Market Purchase**”) on the Catalist; and/or
  - (b) off-market purchase(s) (each an “**Off-Market Purchase**”) effected otherwise than on the Catalist 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; and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Act and Catalist Rules as may for time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buyback Mandate**”);
- (2) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the Relevant Period commencing from the date of the passing of this Resolution and expiring on the earliest of:
  - (a) the date on which the next annual general meeting of the Company (“**AGM**”) is held or required by law to be held;
  - (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
  - (c) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked;
- (3) in this Resolution:

“**Maximum Limit**” means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution, 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 shall be taken to be the total number of Shares as altered. Any Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit;

“**Relevant Period**” means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution; and

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

**“Maximum Price”**, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

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

where:

**“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, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day 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 Market Days period;

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

- (4) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

### ORDINARY RESOLUTION 2: PROPOSED ADOPTION OF THE MS HOLDINGS SHARE AWARD SCHEME

THAT:-

- (a) A share award scheme to be known as the MS Holdings Share Award Scheme (the **“ESAS”**), substantially in the form set out in the rules of the ESAS, the details and rules, a summary of which are set out in the Circular to Shareholders dated 12 August 2015, under which awards (**“ESAS Awards”**) of fully-paid ordinary shares in the capital of the Company (**“Shares”**), their equivalent cash value or combinations thereof will be granted, free of payment, to selected employees of the Company and its subsidiaries, including directors of the Company and its subsidiaries, be and is hereby approved and adopted;
- (b) the Directors be and are hereby authorised:-
  - (i) to establish and administer the ESAS; and
  - (ii) to modify and/or amend the ESAS from time to time, provided that such modifications and/or amendments are effected in accordance with the provisions of the ESAS and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the ESAS;
  - (iii) to grant the ESAS Awards in accordance with the provisions of the ESAS and to allot, issue, transfer 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 vesting of ESAS Awards under the ESAS, provided that the aggregate number of Shares to be issued or delivered pursuant to the ESAS and pursuant to all other share option or other share schemes of the Company shall not exceed 15 per cent (15%) of the total number of issued Shares (excluding treasury shares) at any time and from time to time;

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

- (iv) subject to the same being allowed by law, to apply any Share purchased or acquired under any share purchase mandate and to deliver such existing Shares (including any treasury shares) towards the satisfaction of the ESAS Awards granted under the ESAS; and
- (v) to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary or desirable to give effect to these resolutions.

### **ORDINARY RESOLUTION 3: PROPOSED PARTICIPATION BY CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES IN THE ESAS**

THAT subject to and contingent upon the passing of Ordinary Resolution 2 above, approval be and is hereby given for the participation by the Controlling Shareholders of the Company and their Associates in the ESAS in accordance with the provisions of the ESAS.

By Order of the Board

Lee Hock Heng  
Srikanth Rayaprolu  
Company Secretaries

Singapore

12 August 2015

#### **Notes:**

- (1) A shareholder of the Company entitled to attend and vote at the EGM may appoint not more than two proxies to attend and vote in his/her stead. A shareholder of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a shareholder of the Company.
- (2) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company at 22 Pandan Road, Singapore 609274, not later than 48 hours before the time appointed for the holding of the EGM.
- (3) The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
- (4) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 48 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

#### **Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member and its proxy(ies) or representative'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 Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (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 express 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, (iii) undertakes that the member will only use the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iv) 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. Your and your proxy and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

*This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, United Overseas Bank Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this notice.*

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

*This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.*

*The contact persons for the Sponsor are Mr Khong Choun Mun, Managing Director, Equity Capital Markets and Mr Chia Beng Kwan, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03, UOB Plaza 1, Singapore 048624, Telephone: (65) 6533 9898.*

*This page has been intentionally left blank.*

# MS HOLDINGS LIMITED

(Company Registration No.: 201414628C)  
(Incorporated in the Republic of Singapore)

## PROXY FORM

### EXTRAORDINARY GENERAL MEETING

#### Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 12 August 2015. "Personal data" in this proxy form has the same meaning as "personal data" in the Personal Data Protection Act 2012 ("PDPA"), which includes your and your proxy's and/or representative's name, address and NRIC/ Passport No.

I/We\* \_\_\_\_\_ NRIC/Passport no.\* \_\_\_\_\_

of \_\_\_\_\_

being a member/members\* of MS Holdings Limited (the "Company") hereby appoint:-

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or\*

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her\*, the Chairman of the Extraordinary General Meeting ("EGM") of the Company as my/our\* proxy/proxies\* to attend and to vote for me/us\* on my/our\* behalf and, if necessary, to demand a poll at the EGM to be held at Raffles Marina, 10 Tuas West Drive, Singapore 638404 on 28 August 2015 at 11 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10 a.m. on the same day and at the same place).

(Please indicate with a tick (✓) in the spaces provided whether you wish your vote(s) to be cast for or against the resolution as set out in the Notice of EGM. In the absence of specific directions, the proxy/proxies\* will vote or abstain as he/they\* may think fit, as he/they\* will on any other matter arising at the EGM)

Ordinary Resolutions	Number of Votes For**	Number of Votes Against**
RESOLUTION 1: To approve the proposed Share Buyback Mandate		
RESOLUTION 2: To approve the proposed adoption of the MS Holdings Share Award Scheme ("ESAS")		
RESOLUTION 3: To approve the proposed participation by Controlling Shareholders and their Associates in the ESAS		

\* Delete accordingly

\*\* 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 \_\_\_\_\_ 2015

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of Member(s) or Common Seal

**IMPORTANT: PLEASE READ THE NOTES OVERLEAF**



**Notes:-**

1. Please insert the total number of ordinary shares in the capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), you should insert that number. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members of the Company, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at registered office of the Company at 22 Pandan Road, Singapore 609274, not less than 48 hours before the time appointed for the meeting.
4. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50.
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 entered against his name in the Depository Register as at 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.