

**DOCUMENT DATED 2 FEBRUARY 2015**

**THIS DOCUMENT IS ISSUED BY STRATECH SYSTEMS LIMITED (THE “COMPANY”). THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

If you are in any doubt in relation to the contents of this Document (as defined herein) or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“CDP”), you need not forward this Document, the notice of Court Meeting (as defined herein), the notice of Extraordinary General Meeting (as defined herein) and the accompanying proxy forms to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the capital of the Company through other means, you should at once hand this Document, the notice of Court Meeting, the notice of Extraordinary General Meeting and the accompanying proxy forms to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Document.



**STRATECH SYSTEMS LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 199608251Z)

**IN RELATION TO:**

- (1) **THE PROPOSED RESTRUCTURING EXERCISE BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 210 OF THE COMPANIES ACT (CHAPTER 50) OF SINGAPORE;**
- (2) **THE PROPOSED NOVATION OF THE RIGHTS AND OBLIGATIONS OF THE OUTSTANDING OPTIONS GRANTED UNDER THE STRATECH EMPLOYEE SHARE OPTION SCHEME 2000 AND STRATECH EMPLOYEE SHARE OPTION SCHEME 2011 AND THE PROPOSED TERMINATION OF THE STRATECH EMPLOYEE SHARE OPTION SCHEME 2011;**
- (3) **THE PROPOSED APPROVAL FOR THE ADOPTION OF THE STRATECH GROUP LIMITED EMPLOYEE SHARE OPTION SCHEME 2014;**
- (4) **THE PROPOSED APPROVAL FOR THE ADOPTION OF THE STRATECH GROUP LIMITED PERFORMANCE SHARE SCHEME 2014;**
- (5) **THE PROPOSED TERMINATION OF THE STRATECH PERFORMANCE SHARE SCHEME;**
- (6) **THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS AT A DISCOUNT UNDER THE STRATECH GROUP LIMITED EMPLOYEE SHARE OPTION SCHEME 2014; AND**
- (7) **THE PROPOSED PARTICIPATION OF CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES IN THE STRATECH GROUP LIMITED EMPLOYEE SHARE OPTION SCHEME 2014.**

**IMPORTANT DATES AND TIMES**

**COURT MEETING TO APPROVE THE SCHEME**

Last date and time for lodgement of Proxy Form : 23 February 2015 at 3.30 p.m.  
Date and time of Court Meeting : 25 February 2015 at 3.30 p.m.

**EXTRAORDINARY GENERAL MEETING**

Last date and time for lodgement of Proxy Form : 23 February 2015 at 4.00 p.m.  
Date and time of Extraordinary General Meeting : 25 February 2015 at 4.00 p.m. (or as soon thereafter following the conclusion of the Court Meeting to be held at 3.30 p.m. on the same day and at the same place (or its adjournment thereof))  
Place of Court Meeting and Extraordinary General Meeting : Function Room 1, 31 International Business Park, Level 1, Creative Resource (Main Lobby), Singapore 609921

This action to be taken by you is set out on pages 43 and 44 of this Document.

**Your attention is also drawn to the expected timetable set out on pages 9 and 10 of this Document and the notes thereunder.**

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## DEFINITIONS

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

- “ACRA”** : The Accounting and Corporate Regulatory Authority of Singapore
- “AGM”** : The annual general meeting of the Company held on 31 July 2014
- “Announcement Date”** : 16 October 2014, being the date of the announcement made by the Company on the SGXNET in relation to, *inter alia*, the Proposed Restructuring, the Scheme and the Proposed Options Variation
- “Articles of Association”** : The articles of association 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
- (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Awards”** : Awards under the Stratech PSS
- “Books Closure Date”** : A date and time (before the Effective Date) to be announced by the Company, at which time the share transfer books and the register of members of the Company will be closed to determine the entitlements of Shareholders in respect of the Scheme
- “Business Day”** : A day (other than a Saturday or Sunday or public holiday) on which commercial banks are open for business in Singapore
- “CDP”** : The Central Depository (Pte) Limited
- “Code”** : The Singapore Code on Take-overs and Mergers
- “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
- “Company”** : Stratech Systems Limited, incorporated in Singapore on 19 November 1996, a public company limited by shares, whose Shares are listed on the Main Board of the SGX-ST

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## DEFINITIONS

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- “Conditions Precedent”** : The conditions precedent to the Proposed Restructuring and the Scheme, as set out in Appendix 6 (*Conditions Precedent*) to this Document
- “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 15% or more of the total number of issued shares excluding treasury shares in the company (unless the SGX-ST determines that such a person is not a Controlling Shareholder of the company); or
  - (b) in fact exercises Control over a company
- “Court”** : The High Court of the Republic of Singapore
- “Court Meeting”** : The meeting of Shareholders to be convened and held under the directions of the Court at 3.30 p.m. on 25 February 2015 at Function Room 1, 31 International Business Park, Level 1, Creative Resource (Main Lobby), Singapore 609921
- “Court Order”** : The order of the Court sanctioning the Scheme under Section 210 of the Companies Act
- “Depositor”** : Has the meaning ascribed to it in Section 130A of the Companies Act, being an account holder or a depository agent but does not include a sub-account holder
- “Depository Register”** : Has the meaning ascribed to it in Section 130A of the Companies Act, being a register maintained by CDP or any other approved depository company or corporation under the Companies Act in respect of book-entry securities
- “Directors” or “Board”** : The directors of the Company or the board of directors of the Company as at the Latest Practicable Date
- “Document”** : This document dated 2 February 2015 despatched by the Company to its Shareholders and containing, *inter alia*, information on the Proposed Restructuring, the Scheme, the Proposed Options Variation, the NewCo ESOS Proposal and the NewCo PSS Proposal, the Explanatory Statement complying with the requirements of the Companies Act, and the notices of meeting and proxy forms for the Court Meeting and the EGM
- “Effective Date”** : The date on which the Scheme, if approved, becomes effective in accordance with its terms
- “EGM”** : The extraordinary general meeting of the Company to be held at 4.00 p.m. on 25 February 2015 at Function Room 1, 31 International Business Park, Level 1, Creative Resource (Main Lobby), Singapore 609921 (or as soon thereafter following the conclusion of the Court Meeting to be held at 3.30 p.m. on the same day and at the same place (or its adjournment thereof)) to seek the approval of the Shareholders for the NewCo ESOS Proposal, the NewCo PSS Proposal and the ratification of the ESOS Variation Agreements and the Proposed Options Variation, notice of which is set out on pages 153 to 155 of this Document

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## DEFINITIONS

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- “Encumbrance”** : Any mortgage, assignment of receivables, debenture, lien, hypothecation, charge, pledge, title retention, right to acquire, security interest, option, pre-emptive or other similar right, right of first refusal, restriction, third-party right or interest, any other encumbrance, condition or security interest whatsoever or any other type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect
- “Entitled Shareholders”** : Shareholders who are registered as holders of Shares in the register of members of the Company and Depositors who have Shares entered against their names in the Depository Register on the Books Closure Date
- “EPS”** : Earnings per share
- “ESOS Variation Agreements”** : The deeds of novation entered into between the Company, NewCo and the Optionholders, which are subject to *inter alia* the Proposed Options Variation being approved by Shareholders at the EGM
- “Executive Director”** : A director of the Stratech Group or the NewCo Group (as the case may be) who performs an executive function
- “Explanatory Statement”** : The explanatory statement required by Section 211 of the Companies Act and set out from pages 48 to 58 of this Document
- “FY”** : Financial year ended, or ending, as the case may be, on 31 March
- “Implementation Agreement”** : The implementation agreement dated 16 October 2014, entered into between the Company and NewCo relating to, *inter alia*, the Proposed Restructuring and the Scheme, as amended and varied by the supplemental letter dated 29 January 2015 between the Company and NewCo
- “Latest Practicable Date”** : 28 January 2015, being the latest practicable date prior to the printing of this Document
- “Listing Manual”** : The Listing Manual of the SGX-ST, as amended or modified from time to time
- “Long-Stop Date”** : 31 May 2015 or such other date as NewCo and the Company may agree, being the last day on which the Conditions Precedent must be fulfilled, failing which the Implementation Agreement will terminate and the Scheme shall lapse
- “LQN”** : The listing and quotation notice obtained by NewCo from the SGX-ST for the listing of, and quotation for, (a) 1,567,183,371 NewCo Shares and any NewCo Shares to be allotted and issued pursuant to the Scheme, (b) up to 30,813,330 Varied Options Shares, (c) the NewCo Option Shares and (d) the NewCo Award Shares
- “Market Day”** : A day on which the SGX-ST is open for trading in securities
- “Market Price”** : A price equal to the average of the last dealt prices for the NewCo Shares on the SGX-ST for the three (3) consecutive Market Days immediately preceding the Offer Date of that NewCo Option, as published by the SGX-ST, rounded up to the nearest whole cent in the event of fractional prices
- “MAS”** : Monetary Authority of Singapore

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## DEFINITIONS

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<b>“NAV”</b>	: Net asset value
<b>“NewCo”</b>	: The Stratech Group Limited, incorporated in Singapore on 9 October 2014, a public company limited by shares
<b>“NewCo Articles”</b>	: The articles of association of NewCo
<b>“NewCo Awards”</b>	: The contingent award of NewCo Shares under the NewCo PSS
<b>“NewCo Award Shares”</b>	: The new NewCo Shares which may be allotted and issued from time to time pursuant to the vesting of the NewCo Awards
<b>“NewCo Committee”</b>	: The remuneration committee of the NewCo which comprises the directors in the Remuneration Committee of the Company who are duly authorised and appointed by the board of directors of NewCo pursuant to Rule 16 of the NewCo ESOS to administer the NewCo ESOS or pursuant to Rule 12 of the NewCo PSS to administer the NewCo ESOS or the NewCo PSS, as the case may be
<b>“NewCo Directors”</b>	: The directors of NewCo as at the Latest Practicable Date, namely David Chew Khien Meow, Leong Sook Ching, Sajjad Ahmad Akhtar, Chew Hai Chwee, Chew Heng Ching and Lim Kim Choon
<b>“NewCo ESOS”</b>	: The Stratech Group Limited Employee Share Option Scheme 2014 which was conditionally approved and adopted at a general meeting of NewCo held on 16 October 2014 (as amended by way of an ordinary resolution passed on 30 January 2015), and is conditional upon and subject to the Scheme becoming effective in accordance with its terms and the approval of the Shareholders being obtained for the proposed adoption of the NewCo ESOS at the EGM
<b>“NewCo ESOS Mandate”</b>	: The mandate to give the NewCo Directors the authority to issue NewCo Shares pursuant to the exercise of NewCo Options under the NewCo ESOS, which has been approved by the Subscriber Shareholders subject to Shareholders’ approvals being obtained for the proposed adoption of the NewCo ESOS at the EGM and the Scheme becoming effective
<b>“NewCo ESOS Proposal”</b>	: Collectively, the proposed adoption of the NewCo ESOS, the proposed grant of authority to offer and grant the NewCo Options at a discount under the NewCo ESOS and the proposed termination of the Stratech ESOS
<b>“NewCo Group”</b>	: Collectively, NewCo, NewCo 2, the Company and its subsidiaries, upon completion of the Proposed Restructuring and the Scheme
<b>“NewCo Option”</b>	: The right to subscribe for NewCo Shares granted or to be granted to Participants pursuant to the NewCo ESOS and for the time being subsisting
<b>“NewCo Option Shares”</b>	: The new NewCo Shares which may be allotted and issued from time to time pursuant to the exercise of the NewCo Options

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## DEFINITIONS

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- “NewCo PSS”** : The Stratech Group Limited Performance Share Scheme 2014 which was conditionally approved and adopted at a general meeting of NewCo held on 16 October 2014 (as amended by way of an ordinary resolution passed on 30 January 2015), and is conditional upon and subject to the Scheme becoming effective in accordance with its terms and the approval of the Shareholders being obtained for the proposed adoption of the NewCo PSS at the EGM
- “NewCo PSS Mandate”** : The mandate to give the NewCo Directors the authority to issue NewCo Shares pursuant to the NewCo PSS, which has been approved by the Subscriber Shareholders subject to Shareholders’ approvals being obtained for the proposed adoption of the NewCo PSS at the EGM and the Scheme becoming effective
- “NewCo PSS Proposal”** : The proposed adoption of the NewCo PSS and the proposed termination of the Stratech PSS
- “NewCo Share Issue Mandate”** : The proposed general mandate to give the NewCo Directors the authority to issue NewCo Shares subject to the terms contained therein, which has been approved by the Subscriber Shareholders, subject to the approval of the Scheme at the Court Meeting
- “NewCo Shareholders”** : Persons who will be registered as holders of NewCo Shares in the register of members of NewCo or who, being Depositors, have NewCo Shares entered against their names in the Depository Register, following the completion of the Proposed Restructuring and the Scheme
- “NewCo Shares”** : Ordinary shares in the share capital of NewCo
- “NewCo 2”** : Stratech Pte. Ltd., incorporated in Singapore on 10 October 2014, a private company limited by shares
- “NewCo 2 Articles”** : The articles of association of NewCo 2
- “Non-Executive Director”** : A director of the Stratech Group or the NewCo Group (as the case may be) who does not perform an executive function, including any independent director
- “Optionholders”** : The holders of the Options under the Stratech ESOS 2000 and Stratech ESOS 2011
- “Options”** : The outstanding options under the Stratech ESOS 2000 and/or the Stratech ESOS 2011 as at the Latest Practicable Date
- “Options Exercise Cut Off Date”** : The date falling 10 Market Days prior to the Books Closure Date
- “Overseas Shareholders”** : Shareholders whose registered addresses, as recorded in the register of members of the Company or in the Depository Register maintained by the CDP (as the case may be) for the service of notice and documents, are outside Singapore
- “Participant”** : Has the meaning ascribed to it in Appendix 3 (*Rules of the NewCo ESOS*) to this Document, being any director or confirmed executive of the NewCo Group selected to participate in the NewCo ESOS in accordance with Rule 4 of the Rules of the NewCo ESOS

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## DEFINITIONS

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- “Prescribed Occurrence”** : The events listed under Schedule 3 of the Implementation Agreement and as set out in Appendix 7 (*Prescribed Occurrences*) to this Document, the occurrence of which would constitute a non-fulfilment of the Conditions Precedent under paragraph 3.1(i) of Appendix 6 (*Conditions Precedent*)
- “Proposed Options Variation”** : The proposed novation of the rights and obligations of the Company in respect of the existing Options granted under the Stratech ESOS 2000 and Stratech ESOS 2011 to NewCo by way of entry into the ESOS Variation Agreements, details of which are set out in Section 4.3 of the Letter from the Board to the Shareholders
- “Proposed Restructuring”** : The acquisition by NewCo 2 of all the Shares in consideration of which NewCo will allot and issue to the Shareholders such number of NewCo Shares, credited as fully paid, on the basis of one (1) NewCo Share for every one (1) Share held by each Shareholder on the Books Closure Date, to be effected by way of the Scheme and on the terms and conditions of the Implementation Agreement
- “Record Date”** : The date falling on the Business Day immediately preceding the Effective Date
- “Registrar”** : The share registrar of the Company, B.A.C.S. Private Limited, with its office at 63 Cantonment Road, Singapore 089758
- “Remuneration Committee”** : The committee comprising the Directors who are duly authorised and appointed by the Board pursuant to Rule 16 of the Stratech ESOS 2011 to administer the Stratech ESOS 2011 or pursuant to Rule 12 of the Stratech PSS to administer the Stratech PSS, as the case may be
- “Rules of the NewCo ESOS”** : Rules of the NewCo ESOS, as set out in Appendix 3 (*Rules of the NewCo ESOS*) to this Document, as modified or altered from time to time
- “Rules of the NewCo PSS”** : Rules of the NewCo PSS, as set out in Appendix 4 (*Rules of the NewCo PSS*) to this Document, as modified or altered from time to time
- “Scheme”** : This scheme of arrangement dated 2 February 2015 as set out from pages 145 to 150 of this Document (or as amended from time to time in accordance with Clause 5 of the Scheme) proposed in accordance with Section 210 of the Companies Act
- “Scheme Consideration”** : The consideration payable to the Shareholders for each Share acquired by NewCo 2 pursuant to the Scheme, being one (1) new NewCo Share for every one (1) Share transferred to NewCo 2 under the Scheme, subject to the Subscriber Shareholder Undertakings
- “Securities Account”** : Securities account maintained by a Depositor with CDP, but does not include a securities sub-account
- “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



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## DEFINITIONS

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<b>“SGXNET”</b>	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system network prescribed by the SGX-ST
<b>“Shareholders”</b>	:	Persons who are registered as holders of Shares in the register of members of the Company or who, being Depositors, have Shares entered against their names in the Depository Register
<b>“Shares”</b>	:	Ordinary shares in the share capital of the Company
<b>“SIC”</b>	:	Securities Industry Council of Singapore
<b>“Stratech ESOS 2000”</b>	:	The Company’s employee share option scheme adopted at a general meeting of the Company held on 14 July 2000
<b>“Stratech ESOS 2011”</b>	:	The Company’s employee share option scheme adopted at a general meeting of the Company held on 29 July 2011
<b>“Stratech ESOS Mandate”</b>	:	Has the meaning ascribed to it in paragraph 5.7 of the Letter from the Board to the Shareholders in this Document, being the share issuance mandate, approved at the AGM, which grants authority to the Directors, <i>inter alia</i> , to issue Shares under the Stratech ESOS 2011
<b>“Stratech Group”</b>	:	The Company and its subsidiaries
<b>“Stratech PSS”</b>	:	The Company’s performance share scheme adopted at a general meeting of the Company held on 4 June 2007
<b>“Stratech PSS Mandate”</b>	:	Has the meaning ascribed to it in paragraph 6.5 of the Letter from the Board to the Shareholders in this Document, being the share issuance mandate, approved at the AGM, which grants authority to the Directors, <i>inter alia</i> , to issue Shares under the Stratech PSS
<b>“Stratech Share Issue Mandate”</b>	:	Has the meaning ascribed to it in Section 9.3(a) of the Letter from the Board to the Shareholders in this Document, being the general share issuance mandate, approved at the AGM, which grants authority to the Directors pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual, <i>inter alia</i> , to allot and issue Shares and/or convertible securities in the capital of the Company in accordance with the terms of such mandate
<b>“Subscriber Shareholders”</b>	:	David Chew Khien Meow and Leong Sook Ching, the subscriber shareholders of NewCo, holding one (1) NewCo Share each as at the Latest Practicable Date. The Subscriber Shareholders are currently substantial shareholders of the Company
<b>“Subscriber Shareholders Undertakings”</b>	:	The irrevocable undertakings given by each of the Subscriber Shareholders to the Company and NewCo to, <i>inter alia</i> , vote in favour of the Scheme at any meeting of the Shareholders held to approve the Scheme and waive each of their rights to receive one (1) NewCo Share upon the issuance of the NewCo Shares to the Shareholders pursuant to the Scheme and any other matter necessary or proposed to implement the Scheme
<b>“Substantial Shareholder”</b>	:	A shareholder holding 5% or more of the shares in a company
<b>“Varied Options”</b>	:	Such Options which are to be varied pursuant to the Proposed Options Variation

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## DEFINITIONS

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**“Varied Options Shares”** : NewCo Shares which may be allotted and issued from time to time pursuant to the exercise of the Varied Options

**“Vested Options”** : Has the meaning ascribed to it in paragraph 4.3 of the Letter from the Board to the Shareholders in this Document, being Options that an Optionholder may hold which pursuant to the terms of the letter of offer in respect of such Vested Options and the Stratech ESOS 2000 or Stratech ESOS 2011 (as the case may be) are exercisable before the date on which the Scheme is sanctioned by the Court

**“Vested Options Blackout Period”** : Has the meaning ascribed to it in paragraph 4.3(B) of the Letter from the Board to the Shareholders in this Document, being the period commencing on the date immediately after the Options Exercise Cut Off Date and ending on the Effective Date

### **Units and Currencies**

**“S\$” and “cents”** : Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore

**“%”** : Percentage

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 firms and corporations.

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

Any reference to a time of day or date in this Document shall be a reference to Singapore time or date, as the case may be, unless otherwise stated.

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

Unless otherwise stated, references to the shareholdings of the Company are computed based on the total number of Shares of 1,567,183,371 (with no treasury shares) as at the Latest Practicable Date.

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## INDICATIVE TIMETABLE

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**1. Last date and time for lodgement of proxy forms**

For the Court Meeting<sup>(1)(2)</sup> : 3.30 p.m. on 23 February 2015

For the EGM<sup>(1)(2)</sup> : 4.00 p.m. on 23 February 2015

**2. Shareholders' Meetings**

Date and time of the Court Meeting : 3.30 p.m. on 25 February 2015

Date and time of the EGM : 4.00 p.m. on 25 February 2015, (or as soon thereafter following the conclusion of the Court Meeting to be held at 3.30 p.m. on the same day and at the same place (or its adjournment thereof))

Place of the Court Meeting and the EGM : Function Room 1, 31 International Business Park, Level 1, Creative Resource (Main Lobby), Singapore 609921

**3. Expected date of Court hearing to sanction the Scheme** : 16 March 2015

**The following events are subject to the approval of the Scheme at the Court Meeting and the sanction of the Scheme by the Court:**

**4. Expected date of notice of Books Closure Date** : 16 March 2015

**5. Expected Options Exercise Cut Off Date** : 10 March 2015

**6. Expected last date for trading of the Shares** : 19 March 2015

**7. Expected Books Closure Date** : 5.00 p.m. on 24 March 2015

**8. Expected Record Date** : 24 March 2015

**9. Expected Effective Date** : To be announced in due course by the Company, expected to be 25 March 2015

**10. Expected date of debiting of Shares from the Securities Accounts of Depositors** : 26 March 2015

**11. Expected date for the crediting of the Shares to NewCo 2** : 27 March 2015

**12. Expected date for the crediting of NewCo Shares into Securities Accounts of Depositors pursuant to the Scheme** : Before 9.00 a.m. on 27 March 2015

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## INDICATIVE TIMETABLE

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13. **Expected time and date for the commencement of trading of NewCo Shares on the SGX-ST** : 9.00 a.m. on 27 March 2015
14. **Expected date for the withdrawal of the Shares/delisting of the Company from the SGX-ST** : 27 March 2015

You should note that, save for the last date and time for lodgement of proxy forms and the date and time of the Court Meeting and the EGM, the above timetable is indicative only and may be subject to change. For the events listed above which are described as “expected”, please refer to future announcement(s) by the Company for the exact dates and times of these events.

**Notes:**

- (1) Shareholders are requested to lodge the Proxy Forms for both the Court Meeting and the EGM not less than 48 hours before the time appointed for the Court Meeting and the EGM respectively. If Proxy Forms for the Court Meeting are not so lodged, they may be handed to the Chairman of the Court Meeting at the Court Meeting.
- (2) All Proxy Forms for the Court Meeting and the EGM (if lodged before the Court Meeting and the EGM respectively) must be lodged with the Registrar’s office at 63 Cantonment Road, Singapore 089758. Completion and return of a Proxy Form for the Court Meeting and/or the EGM will not preclude a Shareholder from attending and voting in person at the Court Meeting and/or the EGM if they subsequently wish to do so. In such event, the relevant Proxy Form will be deemed to be revoked.

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## CORPORATE INFORMATION

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### THE COMPANY

Board Of Directors	:	David Chew Khien Meow	Executive Chairman
	:	Leong Sook Ching	Executive Director and Chief Corporate Officer
	:	Sajjad Ahmad Akhtar	Independent Director
	:	Chew Hai Chwee	Independent Director
	:	Chew Heng Ching	Independent Director
	:	Lim Kim Choon	Non-independent Non-Executive Director
Executive Officer	:	Sandra Yow	Chief Financial Officer
Company Secretary	:	Leong Sook Ching	
Registered Office	:	31 International Business Park #02-02 Creative Resource Singapore 609921	
Auditors	:	Baker Tilly TFW LLP Certified Public Accountants 600 North Bridge Road Unit #05-01 Parkview Square Singapore 188778	
Share Registrar	:	B.A.C.S. Private Limited 63 Cantonment Road Singapore 089758	
Solicitors to the Company in relation to the Scheme	:	Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624	

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## CORPORATE INFORMATION

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### NEWCO

Board Of Directors	:	David Chew Khien Meow	Executive Chairman
	:	Leong Sook Ching	Executive Director and Chief Corporate Officer
	:	Sajjad Ahmad Akhtar	Independent Director
	:	Chew Hai Chwee	Independent Director
	:	Chew Heng Ching	Independent Director
	:	Lim Kim Choon	Non-independent Non-Executive Director
Executive Officer	:	Sandra Yow	Chief Financial Officer
Company Secretary	:	Leong Sook Ching	
Registered Office	:	31 International Business Park #02-02 Creative Resource Singapore 609921	
Auditors	:	Baker Tilly TFW LLP Certified Public Accountants 600 North Bridge Road Unit #05-01 Parkview Square Singapore 188778	
Share Registrar	:	B.A.C.S. Private Limited 63 Cantonment Road Singapore 089758	

### NEWCO 2

Board Of Directors	:	David Chew Khien Meow	Director
	:	Leong Sook Ching	Director
Company Secretary	:	Leong Sook Ching	
Registered Office	:	31 International Business Park #02-02 Creative Resource Singapore 609921	
Auditors	:	Baker Tilly TFW LLP Certified Public Accountants 600 North Bridge Road Unit #05-01 Parkview Square Singapore 188778	

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## PRELIMINARY

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This Document has been prepared solely for the purpose of seeking Shareholders' approval for the Scheme, the Proposed Options Variation, the NewCo ESOS Proposal and the NewCo PSS Proposal and may not be relied upon by any person other than the Shareholders or for any other purpose.

No person has been authorised to give any information or to make any representation other than those contained in this Document in connection with the Scheme, the Proposed Options Variation, the NewCo ESOS Proposal and the NewCo PSS Proposal and, if given or made, such information or representation must not be relied upon as having been authorised by the Company or NewCo. Nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance, financial position or policies of the Company, NewCo and/or the NewCo Group. The delivery of this Document shall not, under any circumstance, constitute a continuing representation, or give rise to any implication or suggestion, that there has not been or there will not be any change in the affairs of the Company, NewCo and/or the NewCo Group or in the information herein since the Latest Practicable Date. Where any such changes occur after the date hereof, the Company and/or NewCo (as the case may be) may make an announcement of the same on the SGXNET. You should take note of any such announcement and shall, upon the release of such an announcement, be deemed to have notice of such changes.

The distribution of this Document, and other relevant documents, may be prohibited or restricted by law in certain jurisdictions. You are required to inform yourself of and to observe any such prohibitions and restrictions. It is your responsibility in such jurisdictions to satisfy yourself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any government, exchange control or other consents which may be required, the compliance with all necessary formalities which are required to be observed and/or payment of any issue, transfer or other taxes due in such jurisdiction.

Where the Company is of the view that the distribution of this Document and/or any other relevant document to any Overseas Shareholder in any jurisdiction(s) may infringe any relevant foreign law or necessitate compliance with conditions or requirements which the Company regards as onerous or impracticable by reason of costs, delay or otherwise, the Company will not distribute this Document and other relevant documents to Shareholders with registered addresses in such jurisdiction(s). Please also refer to Section 13 of the Explanatory Statement entitled "Overseas Shareholders".

This Document and/or any other related documents may not be used for the purposes of, and does not constitute, an offer, invitation or solicitation in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is not authorised or to any person to whom it is unlawful to make such offer, invitation or solicitation.

You are advised to consult your stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional advisers immediately if you are in any doubt as to any aspect of the Scheme, including the tax implications of approving the Scheme or the holding of NewCo Shares pursuant to the Scheme. It is emphasised that none of the Company, NewCo or any other persons involved in the Scheme accepts responsibility for any tax effects of, or such liabilities resulting from, the Scheme and/or the holding of the NewCo Shares.

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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All statements contained in this Document, including statements in announcements, press releases and oral statements, that are made or may be made by the Company or its officers, or employees acting on the Company's behalf, and/or NewCo, that are not statements of historical fact, constitute "forward-looking statements". Some of these forward-looking statements can be identified by terms such as "anticipate", "believe", "could", "estimate", "expect", "forecast", "if", "intend", "may", "plan", "possible", "probable", "project", "should", "will" and "would" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Company, NewCo and the NewCo Group's expected financial position, performance, business strategy, plans and prospects are forward-looking statements.

These forward-looking statements, including (but not limited to) statements as to NewCo's and the NewCo Group's revenue and profitability, costs measures, expected industry trends, prospects, future plans, planned strategy and other matters discussed in this Document regarding matters that are not historical facts, are only predictions.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company, NewCo and/or the NewCo Group's actual future results, performance or achievements to be materially different from any future results, performance or achievements expected in, expressed or implied by such forward-looking statements. These risks, uncertainties and other factors include matters not yet known to the Company and/or NewCo or not yet currently considered material by the Company and/or NewCo.

Given the risks and uncertainties that may cause NewCo and/or the NewCo Group's actual future results, performance or achievements to be materially different from those expected in, or expressed or implied by, the forward-looking statements or financial information set out in this Document, undue reliance must not be placed on them. Neither the Company, NewCo, nor any other party involved in the Scheme, represents or warrants that NewCo and/or the NewCo Group's actual future results, performance or achievements will be as discussed in those statements or financial information. NewCo's and/or the NewCo Group's actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements as a result of, *inter alia*, the risks faced by them respectively.

Further, the Company, NewCo, and all parties involved in the Scheme, disclaim any responsibility to update any of those forward-looking statements or information or publicly announce any revisions to them to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. However, the Company and NewCo are, or will be, as the case may be, subject to the relevant provisions of the SFA and the Listing Manual regarding corporate disclosure.

This Document may include market and industry data and information that have been obtained from, *inter alia*, internal studies, where appropriate, as well as publicly available information and industry publications. There can be no assurance as to the accuracy or completeness of such information. While each of the Company and NewCo has taken reasonable steps to ensure that the information is extracted accurately, the Company and NewCo have not independently verified any of the data from third party sources or ascertained the underlying bases or assumptions relied upon therein.



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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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### STRATECH SYSTEMS LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 199608251Z)

**Directors:**

David Chew Khien Meow (Executive Chairman)  
Leong Sook Ching (Executive Director and Chief Corporate Officer)  
Sajjad Ahmad Akhtar (Independent Director)  
Chew Hai Chwee (Independent Director)  
Chew Heng Ching (Independent Director)  
Lim Kim Choon (Non-independent Non-Executive Director)

**Registered Office:**

31 International Business Park  
#02-02 Creative Resource  
Singapore 609921

2 February 2015

To: The Shareholders of Stratech Systems Limited

Dear Sir/Madam

- (1) **THE PROPOSED RESTRUCTURING EXERCISE BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 210 OF THE COMPANIES ACT (CHAPTER 50) OF SINGAPORE;**
- (2) **THE PROPOSED NOVATION OF THE RIGHTS AND OBLIGATIONS OF THE OUTSTANDING OPTIONS GRANTED UNDER THE STRATECH EMPLOYEE SHARE OPTION SCHEME 2000 AND STRATECH EMPLOYEE SHARE OPTION SCHEME 2011 AND THE PROPOSED TERMINATION OF THE STRATECH EMPLOYEE SHARE OPTION SCHEME 2011;**
- (3) **THE PROPOSED APPROVAL FOR THE ADOPTION OF THE STRATECH GROUP LIMITED EMPLOYEE SHARE OPTION SCHEME 2014;**
- (4) **THE PROPOSED APPROVAL FOR THE ADOPTION OF THE STRATECH GROUP LIMITED PERFORMANCE SHARE SCHEME 2014;**
- (5) **THE PROPOSED TERMINATION OF THE STRATECH PERFORMANCE SHARE SCHEME;**
- (6) **THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS AT A DISCOUNT UNDER THE STRATECH GROUP LIMITED EMPLOYEE SHARE OPTION SCHEME 2014; AND**
- (7) **THE PROPOSED PARTICIPATION OF CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES IN THE STRATECH GROUP LIMITED EMPLOYEE SHARE OPTION SCHEME 2014.**

#### 1. INTRODUCTION

##### 1.1 Background

On 16 October 2014, the Company announced that the Company and NewCo had entered into the Implementation Agreement to implement the Proposed Restructuring by way of the Scheme.

Under the Scheme, NewCo proposes to acquire all the Shares held by the Shareholders as at the Books Closure Date. In consideration for the transfer of the Shares held by the Shareholders to NewCo's wholly-owned subsidiary, NewCo 2, NewCo will allot and issue to the Shareholders such number of NewCo Shares, credited as fully paid, on the basis of one (1) new NewCo Share for every one (1) Share held by each Shareholder as at the Books Closure Date. The terms of the Scheme are more particularly described in paragraph 3.1 of this Letter from the Board to the Shareholders.

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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The Scheme is subject to the Conditions Precedent which must be satisfied or waived (as applicable) for the Scheme to be implemented. Details of the Conditions Precedent are set out in Appendix 6 (*Conditions Precedent*) to this Document.

In connection with the Scheme, the Company proposes the Proposed Options Variation in respect of the outstanding Options granted by the Company under the Stratech ESOS 2000 and Stratech ESOS 2011. The Company is seeking Shareholders' approval for the Proposed Options Variation.

In addition, the Company proposes to seek the Shareholders' approval for the NewCo ESOS Proposal and the NewCo PSS Proposal.

### 1.2 Effects of the Scheme and Listing of NewCo

Upon the Scheme becoming effective and binding in accordance with its terms, NewCo will own the entire issued and paid-up share capital of the Company through its wholly-owned subsidiary, NewCo 2, and NewCo will allot and issue to the Shareholders such number of NewCo Shares, credited as fully paid, on the basis of one (1) new NewCo Share for every one (1) Share held by each Shareholder as at the Books Closure Date.

An application was made by the Company on 30 October 2014 to the SGX-ST for the listing of and quotation for all the NewCo Shares (including the existing NewCo Shares held by the Subscriber Shareholders, the NewCo Shares to be allotted and issued pursuant to the Scheme, the Varied Options Shares, the NewCo Option Shares and the NewCo Award Shares) and the LQN which was subject to certain conditions (further described under paragraph 3.2 of the Explanatory Statement) was obtained by NewCo on 29 January 2015.

The LQN is not an indication of the merits of the Scheme, the NewCo Shares, the NewCo ESOS, the NewCo PSS and the Company.

In addition, Company had applied to the SGX-ST and the SGX-ST had advised in its letter dated 3 June 2014 that (a) the Proposed Restructuring is not subject to Chapter 2 (with the exception of Part I and II) of the Listing Manual and Rules 1307, 1308 and 1309 of the Listing Manual, and (b) the Company has to obtain Shareholders' approval and comply with Rules 843 to 861 of the Listing Manual for the proposed variations to the Options and Awards. As at the Latest Practicable Date, there are no outstanding Awards. As such, no variation will be required to be made to the Awards.

### 1.3 Purpose of this Document

In connection with the foregoing, the purpose of this Document is to provide Shareholders with the following:

- (a) all necessary information relating to the Scheme and to seek the Shareholders' approval of the Scheme at the Court Meeting, as set out in the notice of the Court Meeting on pages 151 and 152 of this Document; and
- (b) all necessary information on (i) the Proposed Options Variation; (ii) the NewCo ESOS Proposal; and (iii) the NewCo PSS Proposal, and to seek the Shareholders' approval of the Proposed Options Variation, the NewCo ESOS Proposal and the NewCo PSS Proposal at the EGM, as set out in the notice of the EGM on pages 153 to 155 of this Document.

## 2. BACKGROUND ON THE STRATECH GROUP, THE COMPANY, NEWCO AND NEWCO 2

### 2.1 The Stratech Group and the Company

The Stratech Group delivers large-scale complex, real-time, mission critical systems for governments and businesses, serving industry sectors such as aerospace and defence, financial services, government, healthcare, homeland security and transportation (air, sea and land).

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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The Company is principally engaged in the design, development, integration, implementation, maintenance and project management of information technology and advanced technology systems.

### 2.2 NewCo

NewCo was incorporated on 9 October 2014 as an exempt private limited company in Singapore and was converted into a public company limited by shares on 5 December 2014. As at the Latest Practicable Date, the issued and paid-up share capital of NewCo is S\$2.00, comprising two (2) ordinary shares held by the Subscriber Shareholders. Subject to the completion of the Proposed Restructuring, the number of issued NewCo Shares will be increased by the number of NewCo Shares issued pursuant to the Scheme, details of which are set out in paragraph 3 of this Letter from the Board to the Shareholders.

As at the Latest Practicable Date, NewCo does not have any convertible securities.

Further information on NewCo is set out in Section D of this Letter from the Board to the Shareholders.

### 2.3 NewCo 2

NewCo 2 was incorporated on 10 October 2014 as a private limited company in Singapore as a wholly-owned subsidiary of NewCo and will be the immediate holding company of the Company on completion of the Proposed Restructuring. As at the Latest Practicable Date, the issued and paid-up share capital of NewCo 2 is S\$2.00, comprising two (2) ordinary shares held by NewCo.

As at the Latest Practicable Date, NewCo 2 does not have any convertible securities.

## A. THE SCHEME

### 3. THE PROPOSED RESTRUCTURING AND THE SCHEME

#### 3.1 The Scheme

The Scheme is proposed to all Shareholders. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$112,708,766.33, comprising 1,567,183,371 Shares (with no treasury shares). As at the Latest Practicable Date, NewCo does not hold, directly or indirectly, any Shares.

The Scheme will involve, *inter alia*, the following:

- (a) a transfer of all the Shares held by the Shareholders as at the Books Closure Date to NewCo 2, a wholly-owned subsidiary of NewCo, as nominee of NewCo; and
- (b) in consideration for the transfer of the Shares held by the Shareholders, NewCo will allot and issue to the Shareholders such number of NewCo Shares, credited as fully paid, on the basis of one (1) new NewCo Share for every one (1) Share held by each Shareholder as at the Books Closure Date.

#### 3.2 The Shares

Pursuant to the Scheme, the Shares will be transferred by the Shareholders to NewCo 2 (a) fully paid; (b) free from all Encumbrances; and (c) together with all rights, benefits and entitlements attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Announcement Date, save for any dividends that may be paid by the Company prior to the Books Closure Date.

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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### 3.3 NewCo Shares

The NewCo Shares to be allotted and issued to the Shareholders as the Scheme Consideration shall be duly authorised, validly issued, credited as fully paid, free from Encumbrances and shall rank *pari passu* in all respects with one another as well as the two (2) existing issued NewCo Shares held by the Subscriber Shareholders.

The NewCo Shares which constitute the Scheme Consideration will be allotted and issued to the Shareholders within 10 calendar days immediately after the Effective Date.

### 3.4 Subscriber Shareholders Undertakings

As the Subscriber Shareholders holding the existing two (2) NewCo Shares are also Shareholders, the Subscriber Shareholders have given the Subscriber Shareholders Undertakings to the Company and NewCo to waive each of their rights to receive one (1) new NewCo Share out of the total number of NewCo Shares to be issued to the Subscriber Shareholders pursuant to the Scheme. In this regard, based on the 441,918,405 Shares and 90,832,852 Shares held by David Chew Khien Meow and Leong Sook Ching respectively as at the Latest Practicable Date (representing approximately 28.20% and 5.80% of the total number of Shares respectively, and approximately 33.99% of the total number of Shares in aggregate), 441,918,404 NewCo Shares and 90,832,851 NewCo Shares will be issued to David Chew Khien Meow and Leong Sook Ching respectively pursuant to the Scheme (representing approximately 28.20% and 5.80% of the total number of NewCo Shares respectively, and approximately 33.99% of the total number of NewCo Shares in aggregate).

### 3.5 Proposed Restructuring

The Proposed Restructuring pursuant to the Scheme involves the exchange of new NewCo Shares for Shares on the basis of one (1) new NewCo Share for every one (1) Share held by each Shareholder as at the Books Closure Date. It is purely an internal restructuring exercise undertaken by the Company and NewCo to enable a transfer of the shareholding interests of the Shareholders in the capital of the Company to shareholding interests in the capital of NewCo.

As the principal asset of NewCo immediately after the completion of the Proposed Restructuring will only be the Shares, which are held through its wholly-owned subsidiary, NewCo 2, the Proposed Restructuring pursuant to the Scheme will not cause or result in any substantive change in the financial position of the NewCo Group compared to that of the Stratech Group prior to the Proposed Restructuring pursuant to the Scheme. In particular, the Proposed Restructuring does not involve the write-off of any debt of the Company and the aggregate assets and liabilities of the NewCo Group after the completion of the Proposed Restructuring pursuant to the Scheme will be substantially the same as that of the Stratech Group prior to completion of the Proposed Restructuring pursuant to the Scheme. For illustrative purposes only, the financial effects of the Proposed Restructuring pursuant to the Scheme are set out in paragraph 6 of the Explanatory Statement.

Upon completion of the Proposed Restructuring pursuant to the Scheme, there will be no substantive change to the corporate structure or business of the NewCo Group as compared to that of the Stratech Group, as it is intended that the Company's listing will be transferred to NewCo, and the NewCo Group will continue to own and operate the Stratech Group's existing businesses.

The Scheme and the Proposed Restructuring will not cause or result in any substantive change in the shareholding composition or shareholding interests of the Shareholders, as the number of shareholders and shareholding composition of NewCo immediately after the completion of the Proposed Restructuring pursuant to the Scheme will be the same as that of the Company prior to completion of the Proposed Restructuring pursuant to the Scheme.

The Proposed Restructuring pursuant to the Scheme is to be effected pursuant to, and in compliance with, the requirements of Section 210 of the Companies Act.

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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### 3.6 Rationale for the Proposed Restructuring and the Scheme

At present, the Company is the listed vehicle principally engaged in the design, development, integration, implementation, maintenance and project management of information technology and advanced technology systems.

Following the Proposed Restructuring, the Company will relinquish its status as a listed company and become an indirect wholly-owned operating subsidiary of NewCo (through its wholly-owned subsidiary, NewCo 2). As announced by the Company on 16 October 2014, the Proposed Restructuring enables the establishment of a corporate structure where:

- (a) NewCo becomes an investment holding company indirectly owning 100% of the issued and paid-up share capital of the Company (through NewCo 2), and the listed vehicle in place of the Company; and
- (b) the Company ceases its function as the listed vehicle within the Stratech Group and continues as the operational company carrying out its existing businesses.

The Company is of the view that the Proposed Restructuring will be able to:

- (i) streamline the existing group structure and operations to provide leverage for the Stratech Group to expand its business globally across the numerous products and capabilities;
- (ii) achieve ease and flexibility for the Stratech Group to acquire new businesses, as well as expand and/or divest existing business segments as and when opportunities arise; and
- (iii) as a natural consequence of the Proposed Restructuring, by having NewCo (which is an investment holding company with no business operations) as the listed entity on the SGX-ST, ring-fence the listed entity from the NewCo Group's operating entities and direct operating risks (including any possible claims and litigation arising in connection with the NewCo Group's operations and business).

Further, the new corporate structure will provide the NewCo Group with greater flexibility in positioning itself to explore other possible investment opportunities, new businesses and business partnerships should they arise, and allow it to dedicate its efforts to focus on the development of technology, products, systems and reference sites through the appropriate operating subsidiary. The Company also envisages the possibility of earning royalties and/or licence fees from the various product and technology patents presently registered, including any others arising from future research and development work to be carried out.

The proposed introduction of NewCo 2 as an intermediate holding company will provide the NewCo Group opportunities for future expansion, divestments or re-organisation of its business segments. It would also provide additional flexibility where strategic partners could invest in a specific business segment of the NewCo Group instead of the NewCo Group in its entirety, in the event the NewCo Group decides to reorganise its business segments subsequent to the Proposed Restructuring.

The principal business activity of NewCo upon completion of the Proposed Restructuring will be that of investment holding.

### 3.7 Future Plans for the Company and the NewCo Group

Following the completion of the Scheme, it is envisaged that a further internal reorganisation of the NewCo Group will take place for the purpose of streamlining the group structure. Details of such internal reorganisation will be announced as and when the Company carries out such internal reorganisation.

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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### 3.8 No Cash Outlay

Shareholders should note that no cash outlay (including any stamp duties or brokerage expenses) will be required from the Shareholders under the Scheme.

### 3.9 Conditions Precedent

The Scheme is subject to the fulfilment of, *inter alia*, the Conditions Precedent set out in the Implementation Agreement, details of which are set out in Appendix 6 (*Conditions Precedent*) to this Document.

A summary of certain material Conditions Precedent are set out below for reference:

- (a) all authorisations, consents, clearances, permissions and approvals (including without limitation regulatory approvals) for the Scheme having been obtained on or before the Record Date;
- (b) the Scheme being approved by the Shareholders in compliance with the requirements of Section 210(3) of the Companies Act, i.e. by a majority in number of Shareholders, representing not less than three-fourths in value of the Shares held by the Shareholders, present and voting, either in person or by proxy, at the Court Meeting;
- (c) sanction of the Scheme by the Court and a copy of the order of the Court sanctioning the Scheme having been lodged with ACRA; and
- (d) between the date of the Implementation Agreement and up to the Record Date, no Prescribed Occurrence (as set out in Appendix 7 (*Prescribed Occurrences*) to this Document) in relation to the Company (or where applicable, any other Group Company) or NewCo (as the case may be) occurs other than as required or contemplated by the Implementation Agreement or the Proposed Restructuring.

Shareholders should refer to the Implementation Agreement and/or Appendix 6 (*Conditions Precedent*) of this Document for further details of the Conditions Precedent.

### 3.10 Regulatory Approvals

- (a) The Company had applied to the SGX-ST, and the SGX-ST had by way of a letter dated 3 June 2014 advised that (i) Chapter 2 (with the exception of Part I and II) and Rules 1307, 1308 and 1309 of the Listing Manual are not applicable to the Proposed Restructuring and (ii) the Company has to obtain Shareholders' approval and comply with Listing Rules 843 to 861 for the proposed variations to the Options and Awards. As at the Latest Practicable Date, there are no outstanding Awards. As such, no variation will be required to be made to Awards.
- (b) An application was made by the Company on 30 October 2014, to the SGX-ST for the listing of and quotation for all the NewCo Shares (including the existing NewCo Shares, the new NewCo Shares to be allotted and issued pursuant to the Scheme, the Varied Options Shares, the NewCo Option Shares and the NewCo Award Shares) and the LQN which was subject to certain conditions (further described under paragraph 3.2 of the Explanatory Statement) was obtained by NewCo on 29 January 2015. The LQN is not an indication of the merits of the Scheme, the NewCo Shares, the NewCo ESOS, the NewCo PSS and the Company.
- (c) The SIC had on 9 September 2014 confirmed that the provisions of the Code shall not apply to the Scheme and the Proposed Restructuring.

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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- (d) The MAS had on 5 August 2014, pursuant to Section 273(5) of the SFA, declared that Subdivisions (2) and (3) of Division 1 of Part XIII of the SFA (other than Section 257 of the SFA) shall not apply to the offer of new NewCo Shares made pursuant to the Proposed Restructuring and the Scheme for a period of six (6) months from 5 August 2014. The declaration is subject to the conditions that:
- (i) the shareholders of and the composition of their shareholdings in NewCo immediately after the completion of the Proposed Restructuring and the Scheme shall be the same as that of the Company immediately prior to the completion of the Proposed Restructuring and the Scheme; and
  - (ii) the Company shall issue a shareholders' circular (together with the notice summoning a meeting under Section 210 of the Companies Act) to all of its Shareholders containing all relevant information relating to NewCo, the Proposed Restructuring and the Scheme in accordance with the Listing Manual.

### 3.11 Delisting of the Company and Listing of NewCo in its place

If the Scheme becomes effective in accordance with the Implementation Agreement, NewCo will indirectly own the entire issued and paid-up share capital of the Company, through its wholly-owned subsidiary, NewCo 2. Consequently, the Shares will be withdrawn from the SGX-ST and cease to be traded on the SGX-ST after completion of the Proposed Restructuring pursuant to the Scheme.

It is contemplated that the withdrawal of the Shares or delisting of the Company from the SGX-ST will take place shortly after the Effective Date. It is also contemplated that the Company may, following the withdrawal of the Shares or delisting of the Company from the SGX-ST, convert to a private company.

The NewCo Shares to be issued to the Shareholders pursuant to the Scheme will be listed on the Main Board of the SGX-ST shortly after the withdrawal of the Shares or delisting of the Company from the SGX-ST.

Further announcements in relation to the withdrawal of the Shares or delisting of the Company from the SGX-ST will be made in due course as and when appropriate.

### 3.12 Explanatory Statement

An Explanatory Statement setting out the key terms of, the rationale for and the effect of the Scheme and the procedures for its implementation is set out from pages 48 to 58 of this Document. It should be read with the full text of this Document, including the Scheme as set out from pages 145 to 150 of this Document.

## B. THE PROPOSED OPTIONS VARIATION

### 4. OPTIONS PROPOSAL

#### 4.1 Outstanding Options under the Stratech ESOS 2000 and Stratech ESOS 2011

##### Stratech ESOS 2000

The Stratech ESOS 2000 was adopted at a general meeting of the Company held on 14 July 2000. A Shareholders' mandate was obtained at a general meeting of the Company held on 29 July 2011 to terminate the Stratech ESOS 2000 and adopt the Stratech ESOS 2011. Accordingly, the Remuneration Committee can no longer grant further Options under the Stratech ESOS 2000.

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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As at the Latest Practicable Date, there are up to 695,000 outstanding Options under the Stratech ESOS 2000 entitling holders thereof to subscribe for a total of up to 695,000 Shares. Since the adoption of the Stratech ESOS 2000 and up to the Latest Practicable Date, 612,000 Shares have been allotted pursuant to the exercise of the Options under the Stratech ESOS 2000 and as at the Latest Practicable Date, no Shares are reserved for allotment under the Stratech ESOS 2000. There are no Options under the Stratech ESOS 2000 granted to Controlling Shareholders or their Associates, other than to Dr. Kennedy K.M. Chew who is an Associate of a Controlling Shareholder and whose Options have lapsed, as these persons are not eligible to participate in the Stratech ESOS 2000.

As at the Latest Practicable Date, the Stratech ESOS 2000 has four (4) Optionholders with outstanding Options and the details (including any material conditions) of the Options are set out below:

<b>Offer Date of Options</b>	<b>Exercise price per share (S\$)</b>	<b>Options Outstanding as at Latest Practicable Date</b>	<b>Number of Optionholders as at Latest Practicable Date</b>	<b>Option Period</b>
23 January 2006	0.076	695,000	4	10 years

There are no outstanding Options pursuant to the Stratech ESOS 2000 granted to Directors and to Dr. Kennedy K.M. Chew.

As at the Latest Practicable Date, all the Optionholders under the Stratech ESOS 2000 have agreed to the Proposed Options Variation and accordingly, there are 695,000 Varied Options under the Stratech ESOS 2000 which are subject to the terms and conditions as set out in the NewCo ESOS.

All Shares issued by the Company pursuant to the valid exercise of the outstanding Options under the Stratech ESOS 2000 on or prior to the Options Exercise Cut Off Date will form part of the Shares which fall under the scope of, and be subject to, the Scheme.

### Stratech ESOS 2011

The Stratech ESOS 2011 was adopted at a general meeting of the Company held on 29 July 2011. Pursuant to Rule 14 of the Stratech ESOS 2011, the Stratech ESOS 2011 was intended to continue to be in force at the discretion of the Remuneration Committee for a maximum period of 10 years commencing from the date on which the scheme was adopted by the Shareholders.

Upon the Scheme becoming effective, the Stratech ESOS 2011 shall terminate and the Remuneration Committee can no longer grant further Options under the Stratech ESOS 2011.

As at the Latest Practicable Date, there are up to 30,118,330 outstanding Options under the Stratech ESOS 2011 entitling holders thereof to subscribe for a total of up to 30,118,330 Shares, of which 14,493,330 outstanding Options are currently exercisable into Shares. Since the adoption of the Stratech ESOS 2011 and up to the Latest Practicable Date, no Shares have been allotted pursuant to the exercise of the Options under the Stratech ESOS 2011 and as at the Latest Practicable Date, no Shares are reserved for allotment under the Stratech ESOS 2011. There are no Options under the Stratech ESOS 2011 granted to Controlling Shareholders or their Associates (other than to David Chew Khien Meow and Leong Sook Ching, which were approved by Shareholders at a general meeting of the Company held on 29 July 2011), unless they are employees (including Executive Directors) or Non-Executive Directors of the Stratech Group, as these persons are not eligible to participate in the Stratech ESOS 2011 without the specific prior approval of independent Shareholders at a general meeting by a separate resolution.



## LETTER FROM THE BOARD TO THE SHAREHOLDERS

As at the Latest Practicable Date, the Stratech ESOS 2011 has eight (8) Optionholders and the details (including any material conditions) of the Options are set out below:

Offer Date of Options	Exercise price per share (\$)	Options Outstanding as at Latest Practicable Date	Number of Optionholders as at Latest Practicable Date	Option Period
2 September 2011	0.0187	13,118,330	2	10 years
11 November 2011	0.0166	500,000	1	10 years
26 February 2013	0.0290	4,000,000	1	10 years
22 April 2014	0.017	500,000	1	10 years
25 April 2014	0.017	4,000,000	1	10 years
6 August 2014	0.0176	4,000,000	1	10 years
3 October 2014	0.017	4,000,000	1	10 years

The following are details of Options pursuant to the Stratech ESOS 2011 granted to Directors:

Name of Director	Offer Date of Options	Number of Options granted	Number of Options accepted	Number of Options exercised	Number of outstanding Options	Exercise Price	Option Period
David Chew Khien Meow	2 September 2011	9,182,830	9,182,830	–	9,182,830	0.0187	10 years
Leong Sook Ching	2 September 2011	3,935,500	3,935,500	–	3,935,500	0.0187	10 years
Lim Kim Choon	11 November 2011	500,000	500,000	–	500,000	0.0166	10 years
Chew Heng Ching	22 April 2014	500,000	500,000	–	500,000	0.017	10 years

As at the Latest Practicable Date, all the Optionholders under the Stratech ESOS 2011 have agreed to the Proposed Options Variation and accordingly, there are 30,118,330 Varied Options under the Stratech ESOS 2011 which are subject to the terms and conditions as set out in the NewCo ESOS.

All Shares issued by the Company pursuant to the valid exercise of the outstanding Options under the Stratech ESOS 2011 on or prior to the Options Exercise Cut Off Date will form part of the Shares which fall under the scope of, and be subject to, the Scheme.

#### 4.2 Rationale for the Proposed Options Variation

As for the remaining outstanding Options which are not exercised by the Options Exercise Cut Off Date, pursuant to the Implementation Agreement, the Company and NewCo agree that, subject to the approval of the Shareholders for the Proposed Options Variation being obtained, the Optionholders will, pursuant to the Proposed Options Variation, continue to enjoy the same position or benefits under the Options in NewCo after the completion of the Proposed Restructuring pursuant to the Scheme as they would have done in the Company prior to the completion of the Proposed Restructuring pursuant to the Scheme.

In respect of all Options which an Optionholder may hold which would not be exercisable prior to and including the Options Exercise Cut Off but for the occurrence of the Scheme, subject to the relevant approvals of the Shareholders being obtained, it is proposed that such Options shall be treated as NewCo Options subject to and issued under the terms of the NewCo ESOS and Varied Option Shares shall be allotted and issued to such Optionholder instead of new Shares upon exercise of such Options.

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In respect of all Options that an Optionholder may hold which are exercisable during the period up to the Options Exercise Cut Off Date, the Optionholder may either (a) choose to exercise such Options in which event the Optionholder shall receive new Shares in accordance with the terms of his Options and such new Shares shall fall within the scope of, and be subject to, the Scheme; or (b) choose not to exercise such Options, in which event, subject to the approval of the Shareholders for the Proposed Options Variation being obtained, it is proposed that such Options shall be subject to the terms of the NewCo ESOS in place of the Stratech ESOS 2000 or Stratech ESOS 2011 (as the case may be), and Varied Option Shares shall be allotted and issued to such Optionholder instead of new Shares upon exercise of such Options.

The Proposed Options Variation was proposed to facilitate the transition from the Stratech ESOS 2011 to the NewCo ESOS while having regard to the Options granted pursuant to the Stratech ESOS 2000 and will be subject to the approval of the Shareholders being obtained, further details of which are set out below.

### 4.3 Proposed Options Variation

As at the Latest Practicable Date, the Company and NewCo have sought and obtained the agreement and consent of all the Optionholders for the novation of rights and obligations in respect of the Options granted to each of them to NewCo by way of entry into the ESOS Variation Agreements, pursuant to which the parties to the ESOS Variation Agreements agreed that subject to the Scheme becoming effective and on and from the Effective Date:

- (a) the Options shall be treated as NewCo Options issued under the NewCo ESOS and all references in the Options (including all applicable documents relating to the Options) to Shares shall be treated as references to NewCo Shares;
- (b) the Options shall be subject to and deemed to have been issued pursuant to the terms of the NewCo ESOS; and
- (c) the terms and conditions of the Options (including but not limited to the number of shares under the Options, exercise price(s), vesting date(s), exercise period(s) (such exercise dates as set out in the letter of offer granting the Options) and the date(s) of issue or grant of the Options) shall be as set out in the NewCo ESOS (which has substantially the same terms and conditions as the Stratech ESOS 2011 and shall allow the Optionholders to continue to enjoy the same position and benefits as they would have done under the Stratech ESOS 2000 or Stratech ESOS 2011).

In order to give effect to the Proposed Options Variation, NewCo is also a party to the ESOS Variation Agreements pursuant to which, *inter alia*:

- (i) NewCo has agreed to assume and undertake to perform all the obligations of the Company in respect of the Options and in particular, to allot and issue the relevant Varied Option Shares to the Optionholders at the same exercise price and other terms stipulated under their respective Options, pursuant to the exercise of the Options by the Optionholders; and
- (ii) the Company shall be released and discharged from all obligations with respect to the Options on and from the Effective Date (being also the effective date of the ESOS Variation Agreements).

In respect of all Options (“**Vested Options**”) that an Optionholder may hold which pursuant to the terms of the letter of offer in respect of such Vested Options and the Stratech ESOS 2000 or Stratech ESOS 2011 (as the case may be) are exercisable before the date on which the Scheme is sanctioned by the Court, notwithstanding the terms of the respective employee share option schemes (including without limitation, notwithstanding Rules 14.2 and 14.5 of the Stratech ESOS 2000 or Rules 15.2 and 15.5 of the Stratech ESOS 2011) and the letter of offer in respect of the Vested Options:

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- (A) if the Optionholder of such Vested Options wishes to participate in the Scheme, to exercise such Vested Options by the Options Exercise Cut Off Date and the Optionholder will receive such number of Shares as provided under the terms of the letter of offer in respect of the valid exercise of such Vested Options;
- (B) (1) the holder of such Vested Options shall not exercise any or all of such Vested Options to subscribe for new Shares during the period commencing on the date immediately after the Options Exercise Cut Off Date and ending on the Effective Date (“**Vested Options Blackout Period**”); and
- (2) the Optionholder shall not exercise all or any of his rights as holder of such Vested Options during the Vested Options Blackout Period; and
- (C) such Vested Options if not exercised in accordance with subparagraph (A) above, shall not lapse and become null and void on the expiry of 60 days after the Scheme is sanctioned by the Court or the date upon which the Scheme becomes effective, whichever is later, but the Vested Options shall continue in accordance with the terms and conditions of the respective letters of offer under which it was granted, and as varied by the terms of the ESOS Variation Agreements. For the avoidance of doubt, the Vested Options shall in any case lapse and become null and void on the expiry of the original exercise period of the Vested Options.

The obligations of the Company and NewCo under the ESOS Variation Agreements shall be subject to and conditional upon, *inter alia*, the Scheme becoming effective and the approval of the Shareholders for the Proposed Options Variation being obtained.

#### 4.4 **ESOS Variation Agreements Conditional upon Shareholders’ Approval**

The Subscriber Shareholders have approved the entry by NewCo into the ESOS Variation Agreements with the Company and the relevant Optionholders, and subject to the Scheme becoming effective and the approval of the Shareholders for the Proposed Options Variation being obtained, for NewCo to allot and issue the Varied Option Shares to the Optionholders at the exercise price stipulated under the Options pursuant to the exercise of the Options by the Optionholders.

The Proposed Options Variation is conditional upon and subject to the Shareholders’ approval of the Scheme at the Court Meeting and the Shareholders’ approval of the Proposed Options Variations and the NewCo ESOS Proposal at the EGM to be held after the Court Meeting.

#### 4.5 **Termination of the Stratech ESOS 2011**

Subject to the Scheme becoming effective, the Remuneration Committee shall terminate the Stratech ESOS 2011 with effect from the Effective Date. Shareholders should note that by approving the Scheme at the Court Meeting and the Proposed Options Variation at the EGM, Shareholders will be deemed to have approved the termination of the Stratech ESOS 2011.

### **C. THE NEWCO ESOS PROPOSAL AND THE NEWCO PSS PROPOSAL**

#### **5. THE NEWCO ESOS**

##### **5.1 Introduction**

NewCo had, pursuant to an ordinary resolution by the Subscriber Shareholders on 16 October 2014, approved and adopted a share option scheme, being the NewCo ESOS (as amended by the ordinary resolution passed on 30 January 2015). The terms and conditions of the NewCo ESOS are substantially the same as the existing Stratech ESOS, save as set out in paragraph 5.3 below.

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The adoption of the NewCo ESOS is conditional upon and subject to Shareholders' approval being obtained for the Scheme at the Court Meeting and the NewCo ESOS Proposal at the EGM to be held after the Court Meeting. If so approved, the NewCo ESOS will take effect on the Effective Date and will be valid until 28 July 2021 (being the maximum term under the Stratech ESOS 2011, unless terminated or continued in accordance with the Rules of the NewCo ESOS).

### 5.2 Rationale for the NewCo ESOS

The purpose of the NewCo ESOS is to provide an opportunity for employees of NewCo and its subsidiaries who have contributed significantly to the growth and performance of the NewCo Group (which, from the Effective Date, will include the Stratech Group), as well as directors who satisfy the eligibility criteria as set out in the Rules of the NewCo ESOS, to participate in the equity of NewCo so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to past contributions and services. Additionally, the NewCo ESOS will help the NewCo Group to attract and retain the services of appropriate, qualified and experienced executives who would be able to contribute to the NewCo Group's business and operations.

The NewCo ESOS will also give the NewCo Group added flexibility in structuring more competitive remuneration packages which are designed to reward and retain those employees and directors whose services are vital to the well-being, growth and success of the NewCo Group.

Implementation of the NewCo ESOS will enable the NewCo Group to give recognition to the contributions made by such employees and directors. At the same time, it will give such employees and directors an opportunity to have a direct interest in the NewCo Group and will also help to achieve the following positive objectives:

- (a) to motivate Participants to optimise their performance standards and efficiency, and to maintain a high level of contribution to the NewCo Group;
- (b) to retain key executives whose contributions are essential to the long-term growth and profitability of the NewCo Group;
- (c) to instill loyalty to, and reinforce a stronger identification by Participants with, the long-term success of the NewCo Group;
- (d) to attract potential executives with relevant skills to contribute to the NewCo Group and to create value for shareholders of the NewCo Group; and
- (e) to align the interests of Participants with the interests of shareholders of the NewCo Group.

### 5.3 The number of NewCo Options that may be granted under the NewCo ESOS

The NewCo ESOS complies with the relevant requirements of the Listing Manual for share option schemes and has substantially the same terms and conditions as the Stratech ESOS 2011, save that:

- (a) the aggregate number of NewCo Shares over which the NewCo Committee may grant NewCo Options on any date, taking into consideration (i) the number of NewCo Shares issued or issuable and/or transferred or transferable in respect of all NewCo Options granted under the NewCo ESOS and any other share schemes of NewCo (including the Stratech ESOS 2011, Stratech PSS and NewCo PSS); (ii) the number of ordinary shares in the capital of the Company previously issued and/or transferred in respect of all exercised Options granted under the Stratech ESOS 2011; and (iii) the number of NewCo Shares issued or issuable and/or transferred or transferable in respect of all Varied Options (if any), shall not exceed 15% of the issued NewCo Shares (excluding treasury shares) of NewCo on the date immediately preceding the grant of a NewCo Option; and
- (b) the NewCo ESOS shall take effect from the Effective Date and shall expire on 28 July 2021 (being the maximum term under the Stratech ESOS 2011).

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As at the Latest Practicable Date, no Shares were previously issued and/or transferred by the Company pursuant to the exercise of Options previously granted under the Stratech ESOS 2011, and the number of NewCo Shares issuable and/or transferrable by NewCo in respect of the Varied Options amount in aggregate to 30,813,330 NewCo Shares (please refer to Section 4.3 of this Letter from the Board to the Shareholders for further information on the Varied Options).

The size of the NewCo ESOS is smaller than that of the Stratech ESOS 2011 as the NewCo ESOS has deducted the number of Shares previously issued and/or transferred by the Company pursuant to the exercise of Options previously granted under the Stratech ESOS 2011 and the number of NewCo Shares issued or issuable and/or transferred or transferrable by NewCo in respect of the Varied Options. This is so that the potential dilution of shareholding interests of NewCo Shareholders in the capital of NewCo arising from the NewCo ESOS would be substantially the same as the potential dilution of shareholding interests of the Shareholders in the capital of the Company based on the Stratech ESOS 2011. Hence, Shareholders will not be prejudiced by reason of the Proposed Options Variation and the adoption of the NewCo ESOS.

### 5.4 Participation by Non-Executive Directors in the NewCo ESOS

The NewCo ESOS is extended to Non-Executive Directors (which includes independent directors) who will work closely with NewCo and, by reason of their relationships with NewCo, are in a position to give input and contribute their experience, knowledge and expertise to the development and prosperity of the NewCo Group. Including Non-Executive Directors in the NewCo ESOS and giving them the opportunity to participate in the equity of NewCo will enhance their working relationships with NewCo by instilling in them a greater sense of involvement in NewCo. The extension of the NewCo ESOS to Non-Executive Directors will also enable NewCo to continue to attract capable individuals to sit on the Board as Non-Executive Directors.

As a safeguard against abuse, no member of the NewCo Committee shall be involved in any deliberation in respect of NewCo Options to be granted to him.

### 5.5 Participation by Controlling Shareholders and their Associates in the NewCo ESOS

The key objective of the NewCo ESOS is to motivate employees and directors to optimise their performance standards and efficiency and to reward them for their significant contributions with participation in the equity of NewCo.

To this end, employees and directors who are Controlling Shareholders or their Associates shall be treated equally, as these Controlling Shareholders and their Associates are important to the development and success of the NewCo Group. As such, subject to the absolute discretion of the NewCo Committee, Controlling Shareholders and their Associates who meet the criteria under the Rules of the NewCo ESOS are eligible to participate in the NewCo ESOS. Participation in the NewCo ESOS by the Controlling Shareholders and their Associates must be approved by independent shareholders of NewCo. A separate resolution must be passed for each person and to approve the actual number and terms of NewCo Options to be granted to that Participant.

The terms of the NewCo ESOS do not differentiate between Controlling Shareholders or their Associates and other employees and directors in determining the eligibility of such persons to be granted NewCo Option(s). While the terms of the NewCo ESOS should not unduly favour Controlling Shareholders or their Associates, they should likewise not be excluded from participating in the NewCo ESOS solely for the reason that they are Controlling Shareholders or their Associates. In addition, denying participation by Controlling Shareholders or their Associates may serve to de-motivate them and thereby undermine the objectives of the NewCo ESOS.

In compliance with the spirit of the Listing Manual, the aggregate number of NewCo Shares over which NewCo Options may be granted under the NewCo ESOS to Controlling Shareholders and their Associates shall not exceed 25% of the NewCo Shares available under the NewCo ESOS, and the aggregate number of NewCo Shares over which NewCo Options may be granted under the NewCo ESOS to each Controlling Shareholder or his Associate(s) shall not exceed 10% of the NewCo Shares available under the NewCo ESOS.

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### 5.6 The authority to offer and grant NewCo Options at a discount

The making of offers and grants of NewCo Options under the NewCo ESOS at a discount not exceeding the maximum discount of 20% of the Market Price (or such other percentage or amount as may be determined by the NewCo Committee and permitted by the SGX-ST) is subject to the approval of Shareholders at a general meeting.

Under the NewCo ESOS, subject to any adjustment pursuant to Rule 10 of the NewCo ESOS, the exercise price for each NewCo Option Share in respect of which a NewCo Option is exercisable shall be determined by the NewCo Committee in its absolute discretion, being either a price equal to the Market Price or a price which is set at a discount to the Market Price, provided that the maximum discount which may be given in respect of any NewCo Option shall not exceed 20% of the Market Price (or such other percentage or amount as may be determined by the NewCo Committee and permitted by the SGX-ST).

The ability to offer the NewCo Options at a discount to the Market Price of the NewCo Shares will give NewCo flexibility in structuring the NewCo Options granted, and ensure that NewCo maintains the competitiveness of its compensation strategy. Being able to grant the NewCo Options at a discount allows NewCo to acknowledge a participant's contributions where such means is more meaningful than merely paying a cash bonus, as such NewCo Options operate as a form of cashless reward from NewCo with a greater potential for capital appreciation than the NewCo Options granted at the Market Price. This serves as an additional method for compensating employees and directors in addition to compensation through salaries, salary increments and cash bonuses. It enables NewCo to introduce an effective means of motivating participants to maximise their performance, which will in turn create better value for the NewCo Shareholders.

In addition, given that the NewCo Options granted under the NewCo ESOS at a discount to the Market Price are subject to a longer vesting period than the NewCo Options granted at the Market Price, holders of such NewCo Options are encouraged to have a longer term view of NewCo, thereby promoting staff and employee retention and reinforcing their ties to NewCo.

NewCo believes that the maximum 20% discount to the Market Price is sufficient to allow for flexibility in the NewCo ESOS, while minimising the potential dilutive effect of the NewCo ESOS on NewCo Shareholders' shareholdings. As at the Latest Practicable Date, the Company has not granted any Options at a discount to the market price for a Share.

### 5.7 NewCo ESOS Mandate

The Company currently has in place a share issuance mandate, approved at the last annual general meeting of the Company held on 31 July 2014, which grants authority to the Directors, *inter alia*, to issue Shares under the Stratech ESOS 2011 ("**Stratech ESOS Mandate**"). The Stratech ESOS 2011 and the Stratech ESOS Mandate shall terminate upon the Scheme becoming effective.

The Subscriber Shareholders (in their capacity as the shareholders of NewCo) had, pursuant to an ordinary resolution on 16 October 2014, approved and adopted the NewCo ESOS Mandate (as amended by the ordinary resolution passed on 28 January 2015) conditional upon Shareholders' approval being obtained for the proposed adoption of the NewCo ESOS at the EGM and the Scheme becoming effective.

The NewCo ESOS Mandate is substantially on the same terms as the Stratech ESOS Mandate, save that the aggregate number of NewCo Shares over which the NewCo Committee may grant NewCo Options on any date, when added to (a) the number of NewCo Shares issued or issuable and/or transferred or transferable in respect of all NewCo Options granted under the NewCo ESOS and any other share schemes of NewCo (including the NewCo PSS); (b) the number of ordinary shares in the capital of the Company previously issued and/or transferred in respect of all exercised Options granted under the Stratech ESOS 2011; and (c) the number of NewCo Shares issued or issuable and/or transferred or transferable in respect of all Varied Options (if any), shall not exceed 15% of the issued NewCo Shares (excluding treasury shares) of NewCo on the date immediately preceding the grant of a NewCo Option.

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Please refer to Appendix 5 (*Extracts of Resolutions passed in respect of the NewCo ESOS Mandate, the NewCo PSS Mandate, and the NewCo Share Issue Mandate*) to this Document for an extract of the NewCo ESOS Mandate.

Subject to Shareholders' approval being obtained for the proposed adoption of the NewCo ESOS at the EGM and the Scheme becoming effective, the NewCo ESOS Mandate will take effect upon the completion of the Proposed Restructuring pursuant to the Scheme. The NewCo ESOS Mandate will thereafter, unless revoked or varied by NewCo Shareholders in a general meeting, continue to bind NewCo and the NewCo Shareholders until the conclusion of the next annual general meeting of NewCo. By approving the proposed adoption of the NewCo ESOS at the EGM and approving the Scheme at the Court Meeting, the Shareholders will be deemed to have approved the adoption of the NewCo ESOS Mandate by NewCo as aforesaid.

### 5.8 Rules of the NewCo ESOS

Please refer to Appendix 3 (*Rules of the NewCo ESOS*) to this Document for further information relating to the NewCo ESOS.

### 5.9 Interests of the Directors

Save for their potential participation in the NewCo ESOS and the Directors who currently hold Options (being David Chew Khien Meow, Leong Sook Ching, Lim Kim Choon and Chew Heng Ching, details of which are set out in paragraph 4.1 above), the Directors have no other interest, direct or indirect, in the NewCo ESOS.

### 5.10 The NewCo ESOS Proposal is conditional upon Shareholders' approval

The NewCo ESOS Proposal is conditional upon and subject to the approval of the Scheme at the Court Meeting and Shareholders' approval at the EGM to be held after the Court Meeting.

## 6. THE NEWCO PSS

### 6.1 Introduction

NewCo had, pursuant to an ordinary resolution by the Subscriber Shareholders on 16 October 2014, approved and adopted a share scheme, being the NewCo PSS (as amended by the ordinary resolution passed on 30 January 2015). The terms and conditions of the NewCo PSS are substantially the same as the existing Stratech PSS, save as set out in paragraph 6.3 below.

The adoption of the NewCo PSS is conditional upon and subject to Shareholders' approval being obtained for the Scheme at the Court Meeting and the NewCo PSS Proposal at the EGM to be held after the Court Meeting. If so approved, the NewCo PSS will take effect on the Effective Date and will be valid until 3 June 2017 (being the maximum term under the Stratech PSS, unless terminated or continued in accordance with the Rules of the NewCo PSS).

### 6.2 Rationale for the NewCo PSS

The NewCo PSS will give the NewCo Group added flexibility in structuring more competitive remuneration packages which are designed to reward, motivate and retain employees of the NewCo Group to achieve superior performance. The NewCo PSS will further strengthen the NewCo Group's competitiveness in attracting and retaining superior local and foreign talent.

The NewCo PSS will provide a more broad-based incentive that is based on the overall performance of NewCo. The NewCo PSS will provide an opportunity for employees of the NewCo Group, who have met the performance targets prescribed by the NewCo Committee, to be remunerated by an equity stake in NewCo, instead of through cash performance bonuses. There is no vesting period prescribed under the NewCo PSS, as the current intention is that NewCo Awards will (subject to the terms and conditions of the NewCo PSS) consist of the grant of fully paid NewCo Award Shares outright, with no vesting periods imposed. However, under the NewCo PSS, holders of NewCo Award Shares shall undertake to NewCo that they will not transfer or otherwise

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dispose of any part of their shareholdings in NewCo for a period of nine (9) months commencing on the date the NewCo Award Shares are allotted and issued to them upon the vesting of the NewCo Awards. It is intended that the NewCo PSS inculcates in all participants a stronger and more lasting sense of identification with the NewCo Group.

The purpose of the NewCo PSS is to target specific performance objectives and to provide an incentive for NewCo PSS participants to achieve these targets. The Company and NewCo also believe that the NewCo PSS incentivises NewCo PSS participants to excel in their performance and encourages greater dedication and loyalty to the NewCo Group. Through the NewCo PSS, NewCo will recognise and reward past contributions and serves to motivate NewCo PSS participants to continue to strive for the NewCo Group's long-term prosperity. In addition, the NewCo PSS aims to foster an ownership culture within the NewCo Group.

Both the NewCo ESOS and the NewCo PSS are intended to complement each other in the NewCo Group's continuing efforts to reward, retain and motivate participants to achieve better performance. By adopting both the NewCo ESOS and the NewCo PSS, NewCo will have greater flexibility in tailoring reward and incentive packages suitable for participants and aligning participants' interests with those of shareholders by having an additional method available to the NewCo Group for compensating NewCo PSS participants.

While the NewCo ESOS is aimed at enticing talented employees who have the requisite knowledge, technical skills and experience to join the NewCo Group, the NewCo PSS is aimed at motivating existing employees and officers of the NewCo Group to work towards achieving the relevant performance targets, which will in turn contribute towards the success and development of the NewCo Group. The Company and NewCo believe that the NewCo PSS will be more effective than mere pure cash bonuses in motivating the NewCo PSS participants to achieving the performance targets. This will in turn inculcate in participants a stronger and more lasting sense of identification with the NewCo Group, which will in turn contribute towards the success and development of the NewCo Group.

### 6.3 The number of NewCo Awards that may be granted under the NewCo PSS

The NewCo PSS complies with the relevant requirements of the Listing Manual for share schemes and has substantially the same terms and conditions as the Stratech PSS, save that:

- (a) the aggregate number of NewCo Shares over which the NewCo Committee may grant NewCo Awards on any date, taking into consideration (i) the number of NewCo Shares issued or issuable and/or transferred or transferable in respect of all NewCo Awards granted under the NewCo PSS and any other share schemes of NewCo (including the Stratech ESOS 2011, Stratech PSS and NewCo ESOS); and (ii) the number of ordinary shares in the capital of the Company previously issued and/or transferred in respect of all Awards granted under the Stratech PSS, shall not exceed 15% of the issued NewCo Shares (excluding treasury shares) of NewCo on the date immediately preceding the grant of a NewCo Award; and
- (b) the NewCo PSS shall take effect from the Effective Date and shall expire on 3 June 2017 (being the maximum term under the Stratech PSS).

As at the Latest Practicable Date, 26,663,395 Shares were previously issued and/or transferred by the Company pursuant to the Awards previously granted under the Stratech PSS.

The size of the NewCo PSS is smaller than that of the Stratech PSS as the NewCo PSS has deducted the number of Shares previously issued and/or transferred by the Company pursuant to the Awards previously granted under the Stratech PSS. This is so that the potential dilution of shareholding interests of NewCo Shareholders in the capital of NewCo arising from the NewCo PSS would be substantially the same as the potential dilution of shareholding interests of the Shareholders in the capital of the Company based on the Stratech PSS. Hence, Shareholders will not be prejudiced by reason of the adoption of the NewCo PSS.



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### 6.4 Participation by Directors in the NewCo PSS

The NewCo PSS is extended to directors of NewCo (which includes Non-Executive Directors and the independent Directors) who work closely with NewCo and, by reason of their relationships with NewCo, are in a position to give input and contribute their experience, knowledge and expertise to the development and prosperity of the NewCo Group. Including Non-Executive Directors in the NewCo PSS and giving them the opportunity to participate in the equity of NewCo will enhance their working relationships with NewCo by instilling in them a greater sense of involvement in NewCo. The extension of the NewCo PSS to directors of NewCo will also enable NewCo to continue to attract capable individuals to sit on the board of directors. For the avoidance of doubt, Controlling Shareholders or their Associates shall not be eligible to participate in the NewCo PSS.

As a safeguard against abuse, no member of the NewCo Committee shall be involved in any deliberation in respect of NewCo Awards to be granted to him.

### 6.5 NewCo PSS Mandate

The Company currently has in place a share issuance mandate, approved at the last annual general meeting of the Company held on 31 July 2014, which grants authority to the Directors, *inter alia*, to issue Shares under the Stratech PSS ("**Stratech PSS Mandate**"). The Stratech PSS and the Stratech PSS Mandate shall terminate upon the Scheme becoming effective.

The Subscriber Shareholders (in their capacity as shareholders of NewCo) had, pursuant to an ordinary resolution on 16 October 2014, approved and adopted the NewCo PSS Mandate (as amended by the ordinary resolution passed on 28 January 2015) conditional upon Shareholders' approval being obtained for the proposed adoption of the NewCo PSS at the EGM and the Scheme becoming effective.

The NewCo PSS Mandate is substantially on the same terms as the Stratech PSS Mandate, save that the aggregate number of NewCo Shares over which the NewCo Committee may grant NewCo Awards on any date, when added to (a) the number of NewCo Shares issued or issuable and/or transferred or transferable in respect of all NewCo Awards (if any) granted under the NewCo PSS and any other share schemes of NewCo (including the NewCo ESOS); and (b) the number of ordinary shares in the capital of the Company issued and/or transferred in respect of all Awards granted under the Stratech PSS, shall not exceed 15% of the issued NewCo Shares (excluding treasury shares) of NewCo on the date immediately preceding the grant of a NewCo Award.

Please refer to Appendix 5 (*Extracts of Resolutions passed in respect of the NewCo ESOS Mandate, the NewCo PSS Mandate, and the NewCo Share Issue Mandate*) to this Document for an extract of the NewCo PSS Mandate.

Subject to Shareholders' approval being obtained for the proposed adoption of the NewCo PSS at the EGM and the Scheme becoming effective, the NewCo PSS Mandate will take effect upon the completion of the Proposed Restructuring pursuant to the Scheme. The NewCo PSS Mandate will thereafter, unless revoked or varied by NewCo Shareholders in a general meeting, continue to bind NewCo and the NewCo Shareholders until the conclusion of the next annual general meeting of NewCo. By approving the proposed adoption of the NewCo PSS at the EGM and approving the Scheme at the Court Meeting, the Shareholders will be deemed to have approved the adoption of the NewCo PSS Mandate by NewCo as aforesaid.

### 6.6 Rules of the NewCo PSS

Please refer to Appendix 4 (*Rules of the NewCo PSS*) to this Document for further information relating to the NewCo PSS.

### 6.7 Interests of the Directors

Save for their potential participation in the NewCo PSS, the Directors have no other interest, direct or indirect, in the NewCo PSS.

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### 6.8 The NewCo PSS Proposal is conditional upon Shareholders' approval

The NewCo PSS Proposal is conditional upon and subject to the approval of the Scheme at the Court Meeting and Shareholders' approval at the EGM to be held after the Court Meeting.

### 6.9 Termination of the Stratech PSS

As at the Latest Practicable Date, there are no outstanding Awards under the Stratech PSS. Subject to the Scheme becoming effective, the Remuneration Committee shall terminate the Stratech PSS with effect from the Effective Date. Shareholders should note that by approving the adoption of the NewCo PSS at the EGM and the Scheme at the Court Meeting, Shareholders will be deemed to have approved the termination of the Stratech PSS.

## D. NEWCO

### 7. INTRODUCTION

As mentioned in paragraph 3.5 of this Letter from the Board to the Shareholders, the Proposed Restructuring is purely an internal restructuring exercise to enable a transfer of the shareholding interests of the Shareholders in the capital of the Company to shareholding interests in the capital of NewCo.

Under the Proposed Restructuring, NewCo is contemplated to be the listed entity and the holding company of the NewCo Group in place of the Company following the completion of the Proposed Restructuring and the Scheme.

In line with that role, NewCo has or will (as the case may be), *inter alia*:

- (a) adopt or approve a corporate structure (including the appointment and composition of its board of directors, and board committees including the audit & risk management committee, the nominating committee and the remuneration committee and the appointment of the NewCo Chief Financial Officer);
- (b) adopt or approve a share capital structure; and
- (c) adopt, approve or pass corporate documents and/or resolutions,

which is or are substantially the same as the current corporate structure, share capital structure, constitutive documents, corporate documents and/or resolutions of the Company, and which will enable or allow NewCo to operate under substantially the same constitutive or corporate framework after the completion of the Proposed Restructuring and the Scheme, as the constitutive or corporate framework that the Company is currently operating under.

### 8. CORPORATE INFORMATION

#### 8.1 Directors and Executive Officers of NewCo

As at the Latest Practicable Date, all the Directors are also NewCo Directors. The NewCo Directors are David Chew Khien Meow, Leong Sook Ching, Sajjad Ahmad Akhtar, Chew Hai Chwee and Chew Heng Ching and Lim Kim Choon. The NewCo Directors are appointed on the board of directors of NewCo on the same terms as such Directors are appointed on the Board.

As at the Latest Practicable Date, it is envisaged that the executive officer of NewCo after the completion of the Proposed Restructuring and the Scheme shall be the NewCo Chief Financial Officer, Sandra Yow. Her terms of employment with the NewCo Group will remain the same after the completion of the Proposed Restructuring and the Scheme as those currently under the Company.

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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### 8.2 **Audit & Risk Management Committee, Nominating Committee and Remuneration Committee of NewCo**

The members of the respective board committees of NewCo are as follows:

#### **Audit & Risk Management Committee**

Chew Hai Chwee (Chairman)  
Sajjad Ahmad Akhtar  
Chew Heng Ching

#### **Nominating Committee**

Chew Heng Ching (Chairman)  
Sajjad Ahmad Akhtar  
Chew Hai Chwee

#### **Remuneration Committee**

Sajjad Ahmad Akhtar (Chairman)  
Chew Hai Chwee  
Chew Heng Ching

The terms of reference of the Audit & Risk Management Committee, Nominating Committee and Remuneration Committee of NewCo are the same as those adopted by the respective board committees of the Company.

### 8.3 **Principal Activities of NewCo**

NewCo was incorporated on 9 October 2014 as an exempt private limited company in Singapore and was converted into a public company limited by shares on 5 December 2014. As at the Latest Practicable Date, the issued share capital of NewCo is S\$2.00, comprising two (2) ordinary shares held by the Subscriber Shareholders. Immediately after the completion of the Proposed Restructuring, the number of issued NewCo Shares will be increased by the number of NewCo Shares issued pursuant to the Proposed Restructuring, details of which are set out in paragraph 3 of this Letter from the Board to the Shareholders. As at the Latest Practicable Date, no person has been given an option or right to subscribe for any shares in, or debentures of, NewCo.

As at the Latest Practicable Date, NewCo has not undertaken any business activities. The principal business activity of NewCo upon completion of the Proposed Restructuring would be that of investment holding.

### 8.4 **Share Capital of NewCo**

**Number and Class of Shares.** As at the Latest Practicable Date, NewCo has only one (1) class of shares, being ordinary shares. The issued and paid-up share capital of NewCo as at the Latest Practicable Date is as follows:

	<b>No. of NewCo Shares</b>	<b>Issued share capital (S\$)</b>
Issued and paid-up share capital	2	2.00

**Issue of Shares.** Since 9 October 2014 (being the date of incorporation of NewCo) to the Latest Practicable Date, other than the two (2) NewCo Shares issued to the Subscriber Shareholders, NewCo has not issued any NewCo Shares.

**Convertible Instruments.** As at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, or options in respect of NewCo Shares which carry voting rights affecting the issued NewCo Shares.

**Treasury Shares.** As at the Latest Practicable Date, NewCo does not have any treasury shares.

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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### 8.5 Disclosure of Interests

#### Interests of Directors and Substantial Shareholders in the two (2) issued NewCo Shares

As at the Latest Practicable Date, there are two (2) issued NewCo Shares in the share capital of NewCo. The Subscriber Shareholders are Directors and Substantial Shareholders of the Company and are the subscribers of one (1) NewCo Share each.

As at the Latest Practicable Date, save as disclosed in this Document, none of the Directors or Substantial Shareholders has any direct or indirect interests in the two (2) NewCo Shares.

### 8.6 Material Contracts

Save as disclosed in this Document and save for the contracts, agreements or arrangements entered into with third parties in relation to opening of bank and securities accounts, engaging of professional services and similar matters, NewCo has not entered into any other material contract, agreement or arrangement with any third party since 9 October 2014 (being the date of incorporation of NewCo) and the NewCo Directors are not aware of any event which has occurred since such date to the Latest Practicable Date which may have a material adverse effect on the financial position of the NewCo Group.

### 8.7 Material Litigation

As at the Latest Practicable Date:

- (a) NewCo is not engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of NewCo; and
- (b) the NewCo Directors are not aware of any litigation, claim or proceeding pending or threatened against NewCo or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of NewCo.

## 9. CONSTITUTIVE AND CORPORATE DOCUMENTS AND/OR RESOLUTIONS OF NEWCO

### 9.1 Introduction

Salient details of the NewCo Articles, the NewCo ESOS, the NewCo ESOS Mandate, the NewCo PSS, the NewCo PSS Mandate and the NewCo Share Issue Mandate adopted, approved or passed by NewCo as at the Latest Practicable Date are set out below.

By approving the Scheme, Shareholders will be deemed to have approved, *inter alia*, the adoption of the NewCo Articles.

### 9.2 NewCo Articles

The NewCo Articles, which were adopted by the Subscriber Shareholders on 14 November 2014 and amended by way of special resolution passed on 28 January 2015, comply with the relevant requirements of the Listing Manual for articles of association of listed issuers, including Rule 210(7) read with Appendix 2.2 of the Listing Manual. The NewCo Articles have been updated from the existing Articles of Association in order to take into account changes to the Companies Act and the Listing Manual for the purposes of clarity and good order. In view of the numerous changes which would have to be made to the existing Articles of Association (which was last amended on 14 July 2000) due to changes to the Companies Act and the Listing Manual, NewCo had adopted a new set of articles of association instead of adopting an amended version of the existing Articles of Association.

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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A summary of the material differences between the existing Articles of Association and the NewCo Articles are set out below.

**(a) Interpretation clause**

The introduction of new definitions such as “Auditors”, “electronic communication”, “Statutes” and “treasury share” are provided for under the NewCo Articles for a clearer reading of the NewCo Articles. Section 179 of the Companies Act has been amended to highlight that a member of a company does not include the company itself where it is a member by virtue of its holding shares as treasury shares. The definition of “Member” under Article 2 of the NewCo Articles reflects this position.

**(b) References to Authorised Capital, Nominal Value, Share Premium, Share Premium Account, Capital Redemption Reserve and Capital Redemption Reserve Fund**

In light of the abolition of the concepts of par value and authorised capital pursuant to the Companies (Amendment) Act 2005, shares of a company no longer have any par or nominal value. The concepts of share premium and the issue of shares at a discount have also been abolished.

The following existing Articles have therefore been amended or excluded from the NewCo Articles accordingly: existing Articles 6 (authorised capital of the Company), 8(ii) (nominal value of shares), 8(v) (issue of shares at a discount), 32 (reference to nominal value of shares and share premium), 35 (reference to nominal value of shares and share premium), 37 (reference to nominal value of shares and share premium), 54(2) (reference to capital redemption reserve), 55 (reference to capital redemption reserve fund and share premium), 132 (share premium account) and 142 (reference to share premium account and capital redemption reserve fund).

**(c) Creation of Special Rights of Shares**

In line with paragraph 1(1)(b) of Appendix 2.2 of the Listing Manual, new Article 8 elaborates on existing Article 51 and provides that rights attached to any new share issued upon special conditions shall be clearly defined in the NewCo Articles.

**(d) Preference Shares**

In line with paragraphs 1(1)(a) and (d) of Appendix 2.2 of the Listing Manual, Article 9(a) of the NewCo Articles is a new Article which provides, *inter alia*, that the total number of issued preference shares being issued shall not at any time exceed the total number of issued ordinary shares, subject to such limitation thereof as may be prescribed by law or by the Listing Manual.

**(e) Payment of Commission**

Existing Article 12 provides that the Company may exercise the powers of paying commission conferred by the Act provided that the rate per cent, or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act, and the commission shall not exceed the rate of 10% of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10% of that price (as the case may be). Section 67 of the Companies Act, which was the relevant provision conferring such power to the Company, has however been repealed pursuant to the Companies (Amendment) Act 2005. In view of this, the corresponding Article 14 of the NewCo Articles provides that NewCo may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the NewCo Directors deem fit to allow NewCo to retain a discretion to pay commissions or brokerage under the NewCo Articles.

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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**(f) Forfeiture of Shares**

In line with paragraph 1(3)(b) of Appendix 2.2 of the Listing Manual, new Article 54 clarifies that if any shares are forfeited and sold, any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited, or his executors, trustees, administrators or assignees or as he directs.

**(g) General Mandate to NewCo Directors**

The Listing Manual permits a listed company to have a general mandate, if so given by the shareholders by ordinary resolution in a general meeting, to issue shares, convertible securities, or other additional convertible securities, provided that the aggregate number of such shares and convertible securities does not exceed 50% of the total number of issued shares (excluding treasury shares) of the company at the date of the resolution to approve the mandate, of which the aggregate number of shares to be issued other than on a pro rata basis to existing shareholders must be not more than 20% of the total number of issued shares (excluding treasury shares).

The new Article 67(c) is in line with this position under the Listing Manual (including any supplemental measures which may be issued by the SGX-ST from time to time). In exercising the power conferred under the share issue mandate, the new Article 67(c) makes it clear that NewCo will comply with the provisions of the Listing Manual unless such compliance is waived by the SGX-ST.

**(h) Share Repurchase**

The Companies Act had since 18 November 1998 introduced provisions to allow a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares. The Companies Act was further amended to extend the scope of these provisions to include purchases or acquisitions of a company's stocks and preference shares. Rules 881 to 886 of the Listing Manual further supplement these provisions.

Article 70(b) of the NewCo Articles expands Article 54(2) of the existing Articles to, subject to the relevant provisions of the Companies Act, allow NewCo to purchase or acquire (other than its issued ordinary shares) stocks, preference shares, options, debentures, debenture stocks, bonds, obligations, securities, and all other equity, derivative, debt and financial instruments.

With the introduction of the provisions on treasury shares under the Companies (Amendment) Act 2005, a company can hold shares which are the subject of a share purchase by such company as treasury shares instead of cancelling the same. Article 70(b) of the NewCo Articles clarifies that NewCo may hold any such share which it has acquired as treasury shares in accordance with Section 76H of the Companies Act.

**(i) Holding of General Meetings in Singapore**

Existing Article 60(1) provides, *inter alia*, that an annual general meeting shall be held at such time and place as the Directors shall appoint. Pursuant to existing Articles 61 and 63(1), an extraordinary general meeting of the Company may be convened by the Directors or upon requisition, and the notice of such meeting shall specify the place of the meeting.

Rule 730A(1) of the Listing Manual provides that an issuer primary-listed on the SGX-ST shall hold all its general meetings in Singapore, unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation. Article 75 of the NewCo Articles accommodate the requirements under Rule 730A(1) of the Listing Manual in relation to the holding of general meetings in Singapore.

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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### **(j) Notice of General Meetings**

Existing Article 62(1) refers generally to the Companies Act without specifying the required notice period for the convening of general meetings to pass special resolutions.

In line with paragraph 1(7) of Appendix 2.2 of the Listing Manual, Article 76 of the NewCo Articles clarifies that any general meeting at which it is proposed to pass special resolutions shall be called by at least 21 clear days' notice in writing.

In line with Section 177(3) of the Companies Act, Article 76 of the NewCo Articles also provides that a general meeting may be called by shorter notice if it is so agreed (i) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and (ii) in the case of an extraordinary general meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority which holds not less than 95% of the total voting rights of all the members having a right to vote at the meeting.

### **(k) Voting by way of a Poll**

Existing Article 70 provides that, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded.

Rule 730A(2) of the Listing Manual (which will be effective from 1 August 2015 onwards) provides that all resolutions at general meetings shall be voted by poll. Similarly, Guideline 16.5 of the Code of Corporate Governance 2012 provides that companies should put all resolutions to vote by poll.

Articles 85(b), 87 and 88 of the NewCo Articles accommodate the requirements under the Listing Manual and the Code of Corporate Governance 2012 in relation to voting by way of a poll. Article 85(b) provides that if required by the listing rules of the SGX-ST, all resolutions at any general meeting shall be voted by poll (unless such requirement is waived by the SGX-ST), and Articles 87 and 88 elaborate on the related procedures and methods for taking a poll.

### **(l) Electronic Proxy Appointment**

NewCo may in the future establish a framework for the implementation of an electronic process whereby, *inter alia*, NewCo Shareholders, or such class(es) of NewCo shareholders as may be determined, will be permitted to appoint proxies to attend and vote on behalf of such NewCo shareholders at general meetings, through electronic means online. For flexibility, the NewCo Articles therefore incorporates the mechanism for electronic proxy appointments.

Under existing Article 2, expressions referring to writing include references to printing, lithography, typewriting and other modes of representing or reproducing words in a visible form. The NewCo Articles clarifies that a proxy instrument may be in either physical or electronic form. In particular, "writing" shall be construed to include typewriting, and other modes of representing or reproducing words in a visible form, whether in a physical document or in an electronic communication or form.

Existing Article 84 provides that an instrument appointing a proxy shall be in writing in the common form approved by the Directors and further prescribes the manner in which an instrument to appoint a proxy is to be executed. In order to facilitate any future appointment of a proxy through electronic means (i.e. if NewCo implements an electronic proxy appointment framework), Article 97 of the NewCo Articles permits a NewCo Shareholder to elect to signify his approval for the appointment of a proxy via electronic communication, through such method and in such manner as may be approved by the NewCo Directors.

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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Existing Article 85 provides that the instrument appointing a proxy shall be deposited at the registered office of the Company. For purposes of accommodating any future deposit by the NewCo Shareholders, and receipt by NewCo of electronic proxy instructions by the NewCo Shareholders who elect to use the electronic appointment process, Article 100 of the NewCo Articles authorises the NewCo Directors to determine and specify the manner of receipt by NewCo of the instrument appointing a proxy through electronic communications.

**(m) Disqualification of NewCo Director**

In line with paragraph 1(9)(n) of Appendix 2.2 of the Listing Manual, Article 112(i) of the NewCo Articles provides that a NewCo Director shall immediately resign from the board if he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds.

**(n) Chief Executive Officer / Rotation of Directors**

To be consistent with the Code of Corporate Governance 2012 (including Guideline 4.2 of the Code of Corporate Governance 2012) and in line with the Listing Manual, new Article 120 provides, *inter alia*, that the Chief Executive Officer or a person holding an equivalent position shall be subject to the same provisions as to retirement by rotation, resignation and removal as other directors.

**(o) Meetings of NewCo Directors via Electronic Means**

For flexibility, Article 145 of the NewCo Articles does not include the restriction in existing Article 110(4), which provides that a meeting of the Directors by electronic means may only be held if a physical meeting and resolution in writing is not possible because the number of Directors in Singapore at the time of the meeting or resolution in writing (as the case may be) is insufficient to form a quorum.

**(p) Power to Authenticate Documents via Electronic Means**

For flexibility, Articles 158 and 159 of the NewCo Articles, which correspond with existing Articles 127 and 128, provide for any authentication or certification made pursuant to the respective Articles to be made by any electronic means approved by the NewCo Directors from time to time. This will be in tandem with technological advancements.

**(q) Scrip Dividends**

New Article 164 of the NewCo Articles elaborates on how scrip dividend schemes of NewCo are to be implemented. To facilitate the introduction and implementation of scrip dividend schemes, Article 164 provides in detail the manner in which scrip dividend schemes are to be implemented. Pursuant to the amendments to Rule 862 of the Listing Manual, an issuer must make an announcement if it wishes to implement a scheme which enables shareholders to elect to receive shares in lieu of the cash amount of any dividend and the approval of shareholders will not be required.

**(r) Bonus Issues and Capitalisation of Profits and Reserves**

Existing Article 142 relates, *inter alia*, to the capitalisation of profits and reserves (including share premium account and any capital redemption reserve funds). Article 173 of the NewCo Articles, which corresponds with the abovementioned Article, permits NewCo to issue bonus shares for which no consideration is payable.

In addition, new Article 175 empowers the NewCo Directors to issue free shares and/or to capitalise reserves for employee share-based incentive plans, which have been approved by NewCo Shareholders in general meeting.



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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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### (s) Accounts

Under existing Article 149, the Directors shall lay the accounts of the Company before the Company in a general meeting and the interval between the close of a financial year of the Company and the issue of accounts shall not exceed six (6) months.

Paragraph 1(10) of Appendix 2.2 of the Listing Manual provides that the interval between the close of an issuer's financial year and the date of its annual general meeting (if any) shall not exceed four (4) months. Article 179 of the NewCo Articles therefore clarifies that the interval between the close of NewCo's financial year and the date of NewCo's annual general meeting shall not exceed four (4) months (or such other period as may be prescribed by SGX-ST, the Companies Act and/or any applicable law).

### (t) Services of Notices

The Companies Act has been amended to allow notices of meetings or other documents to be served or given to members using electronic means. In view of the widespread use of electronic communication, Article 186(a)(iii) of the NewCo Articles expands existing Article 155 to provide that the service of any notice by NewCo to any member may be given by using electronic communications. Similarly, Articles 144, 186(b), 191(a)(iii), 191(b), 194 and new Article 187 of the NewCo Articles contemplate and provide for the service of notices using electronic communications.

New Article 196 of the NewCo Articles clarifies that the provisions relating to services of notices similarly apply to notices of meetings of the NewCo Directors or any committee of the NewCo Directors.

New Article 200 of the NewCo Articles provides the procedure for service of notice to members not for the time being in Singapore after the passing of an effective resolution, or the making of order, for a winding up of NewCo.

Please note that the above list may not be exhaustive and Shareholders are advised to refer to the full text of the NewCo Articles as set out in Appendix 2 (*NewCo Articles*) to this Document.

The NewCo Articles will continue to bind NewCo and the NewCo Shareholders, including the Shareholders, immediately after the completion of the Proposed Restructuring and the Scheme.

## 9.3 NewCo Share Issue Mandate

### (a) Stratech Share Issue Mandate and NewCo Share Issue Mandate

The Company currently has in place a general share issuance mandate, approved at the last annual general meeting of the Company held on 31 July 2014, which grants authority to the Directors pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual, *inter alia*, to allot and issue Shares and/or convertible securities in the capital of the Company in accordance with the terms of such mandate ("**Stratech Share Issue Mandate**").

The Stratech Share Issue Mandate shall terminate upon the completion of the Proposed Restructuring and the Scheme.

Subject to the approval for the Scheme at the Court Meeting, NewCo shall adopt the NewCo Share Issue Mandate to authorise the NewCo Directors to allot and issue NewCo Shares and/or convertible securities in the capital of NewCo pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual and in accordance with the terms of such mandate.

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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### (b) Terms of NewCo Share Issue Mandate

Under the NewCo Share Issue Mandate, the aggregate number of NewCo Shares to be issued pursuant to the NewCo Share Issue Mandate (whether by way of rights, bonus or otherwise, and/or in pursuance of offers, agreements or options (“**NewCo Instruments**”) that might or would require the NewCo Shares to be issued, made or granted pursuant to the NewCo Share Issue Mandate, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into NewCo Shares) shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of NewCo immediately after completion of the Scheme, of which the aggregate number of NewCo Shares and convertible securities to be issued other than on a pro-rata basis to existing shareholders of NewCo (including NewCo Shares to be issued in pursuance of NewCo Instruments made or granted pursuant to the NewCo Share Issue Mandate) shall not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of NewCo immediately after completion of the Scheme.

For the purpose of determining the aggregate number of NewCo Shares that may be issued under the NewCo Share Issue Mandate and subject to such manner of calculation as may be prescribed or directed by the SGX-ST, “**the total number of issued shares (excluding treasury shares) in the capital of NewCo immediately after completion of the Scheme**” shall mean the total number of issued NewCo Shares (excluding treasury shares) immediately after the issuance of the new NewCo Shares as the Scheme Consideration pursuant to the Scheme after deducting for such number of ordinary shares in the capital of the Company which may have been allotted and issued by the Company pursuant to the Stratech Share Issue Mandate prior to the completion of the Scheme (if any) and after adjusting for:

- (i) new NewCo Shares arising from the conversion or exercise of any convertible securities which were in existence as at the date of the Stratech Share Issue Mandate;
- (ii) new NewCo Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting which were in existence as at the date of the Stratech Share Issue Mandate and which NewCo is party or subject to or which is otherwise binding on NewCo immediately after completion of the Scheme, provided the options or awards are granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and
- (iii) any subsequent bonus issue, consolidation or subdivision of NewCo Shares.

Please refer to Appendix 5 (*Extracts of Resolutions passed in respect of the NewCo ESOS Mandate, the NewCo PSS Mandate, and the NewCo Share Issue Mandate*) to this Document for an extract of the NewCo Share Issue Mandate.

The NewCo Share Issue Mandate is based on the total number of issued NewCo Shares (excluding treasury shares) immediately after the issuance of the NewCo Shares as the Scheme Consideration pursuant to the Scheme, and not based on the total number of issued NewCo Shares at the time of the Subscriber Shareholders passing the ordinary resolution to approve the NewCo Share Issue Mandate as NewCo will only have an issued share capital of S\$2.00, comprising two (2) ordinary shares immediately after the completion of the EGM and the Court Meeting and prior to the completion of the Scheme.

The number of the NewCo Shares that may be issued under the NewCo Share Issue Mandate is to be adjusted for such number of NewCo Shares required to be allotted and issued by NewCo in connection with any exercise of the Varied Options. Such an adjustment is consistent with the adjustment which would be required to be made to the number of the new Shares that may be issued under the Stratech Share Issue Mandate to take into account new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time of passing of the resolution to approve the Stratech Share Issue Mandate.

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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Other than the Varied Options, NewCo does not have any convertible securities or share options or share awards which are or will be outstanding or subsisting and which NewCo is party or subject to or which is otherwise binding on NewCo immediately after the completion of the Proposed Restructuring and the Scheme.

In addition, the number of NewCo Shares which may be issued under the NewCo Share Issue Mandate shall be adjusted to deduct for such number of Shares (if any) which may be allotted and issued by the Company pursuant to the Stratech Share Issue Mandate obtained at the AGM and prior to the completion of the Scheme. This is to ensure that the maximum number of shares that can be issued pursuant to the Stratech Share Issue Mandate and the NewCo Share Issue Mandate on a collective and aggregate basis shall not exceed the maximum number of shares that can otherwise be issued pursuant to the Stratech Share Issue Mandate, if not for the Proposed Restructuring and the Scheme and the adoption of the NewCo Share Issue Mandate and termination of the Stratech Share Issue Mandate in connection therewith.

Save as aforesaid, the NewCo Share Issue Mandate has the same terms and conditions as the Stratech Share Issue Mandate and complies with the relevant requirements of the Listing Manual and Section 161 of the Companies Act.

**(c) Clarification on Rule 806(3) of the Listing Manual on the issued share capital to be used in computing limits under the NewCo Share Issue Mandate**

Under Rule 806(3), the percentage of the total number of issued shares excluding treasury shares to be used for the purposes of computing limits under a general share issue mandate under Rule 806(2) shall be based on an issuer's total number of issued shares excluding treasury shares at the time of the passing of the resolution approving the mandate after adjusting for:

- (i) new shares arising from the conversion or exercise of convertible securities;
- (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving the mandate, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and
- (iii) any subsequent bonus issue, consolidation or subdivision of shares.

As described in paragraph 9.3(b) above, the issued and paid-up share capital of NewCo to be used in computing limits under the NewCo Share Issue Mandate differs from that provided for under Rule 806(3) of the Listing Manual.

Pursuant to an application made by the Company to the SGX-ST to seek, *inter alia*, the SGX-ST's concurrence that NewCo and the Company are to be dispensed with strict compliance with Rule 806(3) of the Listing Manual, the SGX-ST had on 19 December 2014 issued a letter to the Company ("**SGX Clarification**") clarifying that, for the purpose of complying with Rule 806(3) of the Listing Manual, upon completion of the Proposed Restructuring, the percentages under the NewCo Share Issue Mandate will be based on the number of issued NewCo shares (excluding treasury shares) in the capital of NewCo, and that the base for the calculation of the ratios should reflect:

- (A) the issued Shares of the Company as at 31 July 2014 (being the date on which the Stratech Share Issue Mandate was obtained); and
- (B) further adjustments for any subsequent issuances and adjustments made in accordance with the Stratech Share Issue Mandate obtained on 31 July 2014.

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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As elaborated in paragraph 9.3(b) above, the NewCo Share Issue Mandate has substantially the same terms and conditions as the Stratech Share Issue Mandate, and is consistent with the SGX Clarification.

The Subscriber Shareholders (in their capacity as shareholders of NewCo) had, pursuant to an ordinary resolution on 16 October 2014, approved and adopted the NewCo Share Issue Mandate (as amended by the ordinary resolution passed on 28 January 2015) conditional upon Shareholders' approval being obtained for the Scheme at the Court Meeting. Subject to the Shareholders' approval being obtained for the Scheme, the NewCo Share Issue Mandate will take effect upon the completion of the Proposed Restructuring pursuant to the Scheme. The NewCo Share Issue Mandate will thereafter, unless revoked or varied by NewCo Shareholders in a general meeting, continue to bind NewCo and the NewCo Shareholders until the conclusion of the next annual general meeting of NewCo or the date by which the next annual general meeting of NewCo is required by law to be held, whichever is the earlier. By approving the Stratech Share Issue Mandate at the AGM and approving the Scheme at the Court Meeting, Shareholders will be deemed to have approved the adoption of the NewCo Share Issue Mandate by NewCo as aforesaid.

The Company is seeking Shareholders' approval for the Scheme at the Court Meeting.

### 10. COURT MEETING

The Scheme, which is proposed pursuant to Section 210 of the Companies Act, has to be approved by the Shareholders at a meeting convened at the direction of the Court. By order of the Court dated 25 November 2014, the Court Meeting was directed to be convened for the purpose of approving the Scheme.

By proposing that the Scheme be effected by way of a scheme of arrangement, the Company is providing the Shareholders with the opportunity to determine at the Court Meeting whether they consider the Scheme to be in their best interests. When the Scheme, with or without modification, becomes effective, the Scheme will be binding on all Shareholders, whether or not they were present, in person or by proxy, or voted at the Court Meeting.

The Scheme must be approved by a majority in number of Shareholders, representing not less than three-fourths in value of the Shares held by the Shareholders, present and voting, either in person or by proxy, at the Court Meeting. The Scheme will not be conditional upon the passing of the ordinary resolutions on the Proposed Options Variation, the NewCo ESOS Proposal or the NewCo PSS Proposal at the EGM.

**Shareholders should note that by approving the Scheme at the Court Meeting, they shall be deemed to have also specifically approved the adoption by NewCo of, *inter alia*, the NewCo ESOS Mandate, the NewCo PSS Mandate and the NewCo Share Issue Mandate where applicable.**

The notice of the Court Meeting is set out on pages 151 and 152 of this Document. Shareholders are requested to take note of its date, time and place.

### 11. EXTRAORDINARY GENERAL MEETING

The EGM will be held at Function Room 1, 31 International Business Park, Level 1, Creative Resource (Main Lobby), Singapore 609921 on 25 February 2015 at 4.00 p.m. (or as soon thereafter following the conclusion of the Court Meeting to be held at 3.30 p.m. on the same day at the same place (or its adjournment thereof)) for the purposes of considering and, if thought fit, passing the ordinary resolutions on the Proposed Options Variation, the NewCo ESOS Proposal and the NewCo PSS Proposal.

The notice of the EGM is set out on pages 153 to 155 of this Document. Shareholders are requested to take note of its date, time and place.

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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### 12. SUBSCRIBER SHAREHOLDERS UNDERTAKINGS

- 12.1 The Subscriber Shareholders have, in the Subscriber Shareholders Undertakings, provided an irrevocable undertaking to the Company and NewCo, *inter alia*:
- (a) not to offer, sell, transfer, assign, give or otherwise dispose of (other than in accordance with the Subscriber Shareholders Undertakings or with the prior written consent of NewCo), grant any Encumbrance over, enter into any swap or other arrangement that transfers to another in whole or in part any of the legal benefits or economic consequences of ownership of, all or any of its Shares or any interest in any of the foregoing (or enter into any agreement with a view to effecting any of the foregoing), to, with and/or in favour of (as the case may be) any person other than NewCo or a party approved in writing by NewCo; and
  - (b) to vote and procure its nominee(s) and proxies (if any) to vote (whether on a show of hands or on a poll) all of their Shares to approve the Scheme and any other matter necessary or proposed to implement the Scheme at any meeting of the Shareholders held to approve the Scheme and at any adjournment thereof.
- 12.2 As at the Latest Practicable Date, the Subscriber Shareholders, David Chew Khien Meow and Leong Sook Ching, hold 441,918,405 and 90,832,852 Shares respectively, representing approximately 28.20% and 5.80% of the issued and paid-up share capital of the Company.
- 12.3 The obligations under paragraph 12.1 above shall lapse, other than as a result of a breach by the parties of any of their obligations set forth in the Subscriber Shareholders Undertakings, on the date the Scheme lapses or does not become effective.
- 12.4 Save for the Subscriber Shareholders Undertakings, as at the Latest Practicable Date, neither the Company nor NewCo has received any irrevocable undertaking from any other party to vote for or against the Scheme, the Proposed Options Variation, the NewCo ESOS Proposal or the NewCo PSS Proposal.

### 13. SUSPENSION IN TRADING

**Shareholders should note that subject to the agreement of the SGX-ST and the Scheme becoming effective in accordance with its terms, the last date for trading in the Shares is expected to be 19 March 2015 and trading in the Shares will be suspended with effect from 9.00 a.m. on 20 March 2015. The time and date for commencement in trading of the NewCo Shares is expected to be at 9.00 a.m. on 27 March 2015.** Accordingly, the suspension in trading of the Shares should not exceed seven (7) days.

The Books Closure Date is expected to be at 5.00 p.m. on 24 March 2015, and the Shares are expected to be delisted and withdrawn from the SGX-ST with effect from 27 March 2015. Subject to the approval of the Scheme at the Court Meeting and the sanction of the Scheme by the Court, the Company will be issuing a notice of the Books Closure Date on the SGXNET in due course.

**Please note that the above dates are indicative only and may be subject to change. Please refer to future announcements by the Company for the actual dates of these events.**

### 14 ACTION TO BE TAKEN BY SHAREHOLDERS

#### 14.1 Appointment of Proxies

Shareholders who are unable to attend the Court Meeting and/or the EGM are requested to sign and return the Proxy Forms attached to this Document in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Registrar's office at B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758, not later than 48 hours before the time appointed for the Court Meeting and/or the EGM. If the Proxy Forms for the Court Meeting is not so lodged, they may be handed to the Chairman of the Court Meeting at the Court Meeting.

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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The completion and return of Proxy Forms will not prevent Shareholders from attending and voting at the Court Meeting and/or the EGM in person if they subsequently wish to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

### 14.2 When Depositor is regarded as Shareholder

A Depositor shall not be regarded as a Shareholder entitled to attend and vote at the Court Meeting and/or the EGM unless he is shown to have Shares entered against his name in the Depository Register as at 48 hours before the time fixed for holding the Court Meeting and/or the EGM, as certified by CDP to the Company.

## 15. ABSTENTION FROM VOTING

### 15.1 In relation to the Proposed Options Variation

As stated under paragraphs 4.2 and 4.3 above, the Proposed Options Variation involves, *inter alia*, the proposed novation of the rights and obligations in respect of the existing Options granted and held by Optionholders, and is thus only applicable to persons who hold Options.

If a Shareholder holds Options under the Stratech ESOS 2000 or the Stratech ESOS 2011, he should abstain from voting at the EGM in respect of the ordinary resolution on the Proposed Options Variation and should not accept nominations as proxies or otherwise for voting at the EGM, in respect of the aforesaid ordinary resolution, unless specific instructions have been given in the proxy form on how the vote is to be cast for the aforesaid ordinary resolution.

### 15.2 In relation to the NewCo ESOS Proposal

As stated under paragraph 5 above, the NewCo ESOS Proposal relates to, *inter alia*, the adoption of the NewCo ESOS, the terms of which are substantially the same as the existing Stratech ESOS 2011.

In accordance with Rule 859 of the Listing Manual, Shareholders who are eligible to participate in the NewCo ESOS (including all of the Directors and employees of the NewCo Group) shall be required to abstain from voting at the EGM in respect of the ordinary resolutions on the NewCo ESOS Proposal set out in the notice of EGM. All such persons shall also not accept nomination as proxy at the EGM in respect of the ordinary resolutions on the NewCo ESOS Proposal unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Forms on the manner in which they wish their votes to be cast for the ordinary resolutions on the NewCo ESOS Proposal.

### 15.3 In relation to the NewCo PSS Proposal

As stated under paragraph 6 above, the NewCo PSS Proposal relates to, *inter alia*, the adoption of the NewCo PSS, the terms of which are substantially the same as the existing Stratech PSS.

In accordance with Rule 859 of the Listing Manual, Shareholders who are eligible to participate in the NewCo PSS (including all of the Directors and employees of the NewCo Group) shall be required to abstain from voting at the EGM in respect of the ordinary resolutions on the NewCo PSS Proposal set out in the notice of EGM. All such persons shall also not accept nomination as proxy at the EGM in respect of the ordinary resolutions on the NewCo PSS Proposal unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Forms on the manner in which they wish their votes to be cast for the ordinary resolutions on the NewCo PSS Proposal.

### 15.4 In relation to the proposed participation of Controlling Shareholders and their Associates in the NewCo ESOS

In accordance with Rule 853 of the Listing Manual, Controlling Shareholders and their Associates (including David Chew Khien Meow and Leong Sook Ching), as well as Shareholders who are eligible to participate in the NewCo ESOS (including all of the Directors and employees of the

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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NewCo Group), shall be required to abstain from voting at the EGM in respect of the ordinary resolutions on the proposed participation of Controlling Shareholders and their Associates in the NewCo ESOS set out in the notice of EGM. All such persons shall also not accept nomination as proxy at the EGM in respect of the ordinary resolutions on the proposed participation of Controlling Shareholders and their Associates in the NewCo ESOS unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Forms on the manner in which they wish their votes to be cast for the ordinary resolution on the proposed participation of Controlling Shareholders and their Associates in the NewCo ESOS.

### 16. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

The interests of the Directors and Substantial Shareholders in the Shares are set out in Section 4 of Appendix 1 (*General Information*) to this Document.

### 17. DIRECTORS' RECOMMENDATIONS

#### 17.1 In relation to the Scheme

Having considered the rationale for and the terms of the Proposed Restructuring and the Scheme, the Directors unanimously consider the Scheme to be in the interests of Shareholders and that the terms of the Scheme are fair and reasonable. Accordingly, the Directors recommend that Shareholders **VOTE IN FAVOUR** of the Scheme at the Court Meeting.

Shareholders are advised to read this Document in its entirety.

#### 17.2 In relation to the Proposed Options Variation

As David Chew Khien Meow, Leong Sook Ching, Lim Kim Choon and Chew Heng Ching are Optionholders, they have refrained from making any recommendations to Shareholders in respect of the ordinary resolution on the Proposed Options Variation as set out in the notice of EGM. All the aforementioned Directors shall also not accept nomination as proxy or otherwise vote at the EGM in respect of the ordinary resolution on the Proposed Options Variation unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Forms on the manner in which they wish their votes to be cast for the ordinary resolution on the Proposed Options Variation.

Having considered the rationale for and the terms of the Proposed Options Variation, Sajjad Ahmad Akhtar and Chew Hai Chwee, being the Directors who do not hold any Options, consider the Proposed Options Variation to be in the interests of Shareholders and accordingly, recommend that Shareholders **VOTE IN FAVOUR** of the ordinary resolution on the Proposed Options Variation at the EGM.

#### 17.3 In relation to the NewCo ESOS Proposal

All of the Directors are eligible to participate in, and are therefore interested in the NewCo ESOS. Accordingly, the Directors have refrained from making any recommendation to the Shareholders in respect of the ordinary resolutions on the NewCo ESOS Proposal as set out in the notice of the EGM. The Directors shall also not accept nomination as proxy or otherwise vote at the EGM in respect of the ordinary resolutions on the NewCo ESOS Proposal unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Forms on the manner in which they wish their votes to be cast for the ordinary resolutions on the NewCo ESOS Proposal.

#### 17.4 In relation to the NewCo PSS Proposal

All of the Directors are eligible to participate in, and are therefore interested in the NewCo PSS. Accordingly, the Directors have refrained from making any recommendation to the Shareholders in respect of the ordinary resolutions on the NewCo PSS Proposal as set out in the notice of the EGM. The Directors shall also not accept nomination as proxy or otherwise vote at the EGM in respect of the ordinary resolutions on the NewCo PSS Proposal unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Forms on the manner in which they wish their votes to be cast for the ordinary resolutions on the NewCo PSS Proposal.

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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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### 17.5 In relation to the proposed participation of Controlling Shareholders and their Associates in the NewCo ESOS

All of the Directors are eligible to participate in, and are therefore interested in the NewCo ESOS. Accordingly, the Directors have refrained from making any recommendation to the Shareholders in respect of the ordinary resolutions on the proposed participation by Controlling Shareholders and their Associates in the NewCo ESOS as set out in the notice of the EGM. The Directors shall also not accept nomination as proxy or otherwise vote at the EGM in respect of the ordinary resolutions on the proposed participation by Controlling Shareholders and their Associates in the NewCo ESOS unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Forms on the manner in which they wish their votes to be cast for the ordinary resolutions on the proposed participation by Controlling Shareholders and their Associates in the NewCo ESOS.

### 18. DIRECTORS' INTENTIONS WITH RESPECT TO SHARES AND OPTIONS

Save as otherwise provided in paragraph 17 of this Letter from the Board to the Shareholders above, all Directors who have beneficial shareholdings in the Company will **VOTE IN FAVOUR** of the Scheme and the Proposed Options Variation.

All of the Directors who hold Options pursuant to the Stratech ESOS 2011 have also signed the ESOS Variation Agreements in relation to their respective Options.

### 19. RESPONSIBILITY STATEMENT

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

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

### 20. MATERIAL CONTRACTS

Save for contracts entered into in the ordinary course of business and as disclosed by the Company via announcements on the SGXNET, the Company has not entered into any material contracts during the two (2) years preceding the Latest Practicable Date.

### 21. GENERAL INFORMATION

Your attention is drawn to the further relevant information in the Appendices to this Document.



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## LETTER FROM THE BOARD TO THE SHAREHOLDERS

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### 22. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 31 International Business Park #02-02 Creative Resource, Singapore 609921, during normal business hours from the date of this Document up to and including the date of the Court Meeting:

- (a) the Memorandum of Association of the Company and the Articles of Association;
- (b) the Memorandum of Association of NewCo and NewCo Articles;
- (c) the Memorandum of Association of NewCo 2 and NewCo 2's Articles;
- (d) the Implementation Agreement;
- (e) the annual reports of the Company for FY2012, FY2013 and FY2014; and
- (f) the Subscriber Shareholders Undertakings.

Yours faithfully  
For and on behalf of  
**Stratech Systems Limited**

David Chew Khien Meow  
Executive Chairman

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**EXPLANATORY STATEMENT**  
(IN COMPLIANCE WITH SECTION 211 OF THE COMPANIES ACT)

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**PROPOSED RESTRUCTURING BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 210 OF THE COMPANIES ACT**

**1. INTRODUCTION**

**1.1 Announcement**

On 16 October 2014, the Company announced that it had entered into the Implementation Agreement with NewCo to implement the Scheme. Under the Scheme, it is proposed that NewCo 2, a wholly-owned subsidiary of NewCo, will acquire all the Shares by way of the Scheme.

**1.2 Explanatory Statement**

The purpose of this Explanatory Statement is to provide Shareholders with information on the Scheme and to explain the rationale for and effect of the Scheme. It should be read in conjunction with the full text of this Document, including the Scheme. Capitalised terms used in this Explanatory Statement which are not defined in this Explanatory Statement or in the Scheme, shall bear the same meanings as ascribed to them in the section on definitions as set out from pages 1 to 8 of this Document.

**2. RATIONALE FOR THE SCHEME**

The rationale for the Scheme is set out in paragraph 3.6 of the Letter from the Board to the Shareholders.

**3. THE SCHEME**

**3.1 Scheme**

The Scheme is proposed to all Shareholders. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$112,708,766.33, comprising 1,567,183,371 Shares (with no treasury shares). As at the Latest Practicable Date, NewCo does not hold, directly or indirectly, any Shares.

The Scheme will involve, *inter alia*, the following:

- (a) a transfer of all the Shares held by the Shareholders as at the Books Closure Date to NewCo 2, a wholly-owned subsidiary of NewCo; and
- (b) in consideration for the transfer of the Shares held by the Shareholders, NewCo will allot and issue to the Shareholders such number of NewCo Shares, credited as fully paid, on the basis of one (1) new NewCo Share for every one (1) Share held by each Shareholder as at the Books Closure Date.

Pursuant to the Scheme, the Shares will be transferred by the Shareholders to NewCo 2 (i) fully paid; (ii) free from any Encumbrances; and (iii) together with all rights, benefits and entitlements attaching thereto, including the right to receive and retain all rights and other distributions (if any) declared, paid or made by the Company on or after the Announcement Date, save for any dividends that may be paid by the Company prior to the Books Closure Date.

The Scheme is subject to, *inter alia*, the approval of a majority in number of the Shareholders holding not less than three-fourths in value of the Shares who are present and voting (either in person or by proxy) at the Court Meeting, and the Scheme has to be sanctioned by the Court and thereafter the Court Order has to be lodged with the ACRA. Once effected, the Scheme will be binding on the Company and all Shareholders.

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Subject to the Scheme being declared effective, all profit or loss attributable to the Company with effect from the Effective Date shall accrue to the NewCo Group, including for the avoidance of doubt, all expenses incurred by the Company and NewCo in connection with the Scheme and the Proposed Restructuring.

The acquisition of the Company by NewCo will be at a consideration equal to the audited NAV of the Stratech Group as at 31 March 2014.

### 3.2 **NewCo Shares**

The NewCo Shares shall be allotted and issued by NewCo on the basis of one (1) new NewCo Share for every one (1) Share held by each Shareholder as at the Books Closure Date and shall be duly authorised, validly issued, credited as fully paid up, free from any Encumbrances, and shall rank *pari passu* in all respects with one another as well as the two (2) existing issued NewCo Shares.

An application was made by the Company to the SGX-ST for the listing of and quotation for all the NewCo Shares (including the existing NewCo Shares, the NewCo Shares to be allotted and issued pursuant to the Scheme, the Varied Options Shares, the NewCo Option Shares and the NewCo Award Shares), and the LQN was obtained by NewCo on 29 January 2015 in respect of the listing of, and quotation for, the following on the SGX-ST:

- (a) 1,567,183,371 NewCo Shares and any NewCo Shares to be allotted and issued pursuant to the Scheme;
- (b) up to 30,813,330 Varied Options Shares;
- (c) the NewCo Option Shares; and
- (d) the NewCo Award Shares,

subject to the following conditions:

- (i) compliance with the SGX-ST's listing requirements; and
- (ii) Shareholders' approval of the Scheme at the Court Meeting to be convened.

The LQN is not an indication of the merits of the Scheme, the NewCo Shares, the NewCo ESOS, the NewCo PSS and the Company.

The NewCo Shares which constitute the Scheme Consideration will be allotted and issued to the Shareholders within 10 days immediately after the Scheme becomes effective and binding.

### 3.3 **Withdrawal of the Shares or delisting of the Company from the SGX-ST**

The Company is currently listed on the Main Board of the SGX-ST. If the Scheme becomes effective in accordance with its terms, NewCo will indirectly own all the issued Shares through its wholly-owned subsidiary, NewCo 2, and the Company will become an indirectly wholly-owned subsidiary of NewCo. The Company may, following its withdrawal of the Shares or delisting of the Company from the SGX-ST, be converted into a private company.

### 3.4 **Options**

The Scheme will be extended to all Shares to be issued pursuant to the valid exercise of the Options on or prior to the Options Exercise Cut Off Date. Separately, as at the Latest Practicable Date, the Company has sought the agreement and obtained the consent of all of the Optionholders for the Proposed Options Variation under the ESOS Variation Agreements. Please refer to paragraph 4.3 of the Letter from the Board to the Shareholders for more information on the Proposed Options Variation.

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**EXPLANATORY STATEMENT**  
(IN COMPLIANCE WITH SECTION 211 OF THE COMPANIES ACT)

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**4. CONDITIONS PRECEDENT**

The Scheme is conditional upon the satisfaction of the Conditions Precedent.

**4.1 Non-fulfilment of Conditions**

Shareholders should note that if any one or more of the Conditions Precedent are not satisfied or waived (if applicable), the Scheme will not become effective and binding.

If any of the Conditions Precedent has not been satisfied (or where applicable, has not been waived) by the Long-Stop Date, the Implementation Agreement will terminate and the Scheme will lapse.

**4.2 Termination Right**

Shareholders should note that pursuant to the terms of the Implementation Agreement, the Implementation Agreement may be terminated at any time on or prior to the Record Date as follows:

(a) Court order

by either the Company or NewCo, if any court of competent jurisdiction or governmental authority has issued an injunction, order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting or preventing the Scheme, the Proposed Restructuring or any part thereof and such order, decree, ruling, other action or refusal shall have become final and non-appealable;

(b) Breach

by either (i) NewCo, if the Company is in material breach of any provision of the Implementation Agreement or has failed to perform or comply in all material respects with any matter set out in Appendix 6 (*Conditions Precedent*) to this Document: or (ii) the Company, if NewCo is in material breach of any provision of the Implementation Agreement or has failed to perform or comply in all material respects with any matter set out in Appendix 6 (*Conditions Precedent*) to this Document, provided that either NewCo or the Company (as the case may be), has given written notice to the other party of its intention to terminate the Implementation Agreement. In this circumstance, the Implementation Agreement shall be terminated on the date falling five (5) Business Days after the date of such notice of termination; and

(c) Shareholders' approvals

by either the Company or NewCo, if the resolutions submitted to the Court Meeting are not approved (without amendment) by the requisite majorities of the Shareholders.

Notwithstanding anything contained in the Implementation Agreement, the Implementation Agreement shall terminate if any of the Conditions Precedent has not been satisfied (or, where applicable, has not been waived) by the Long-Stop Date.

**5. REGULATORY APPROVALS**

**5.1 Court sanction**

The Scheme is also subject to sanction by the Court as set out under paragraph 3.1(e) of Appendix 6 (*Conditions Precedent*) to this Document.

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**EXPLANATORY STATEMENT**  
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**5.2 SGX-ST**

The Company had applied to the SGX-ST, and the SGX-ST had by way of a letter dated 3 June 2014 advised that (a) Chapter 2 (with the exception of Part I and II) and Listing Rules 1307, 1308 and 1309 of the Listing Manual are not applicable to the Proposed Restructuring; and (b) the Company has to obtain Shareholders' approval and comply with Listing Rules 843 to 861 for the proposed variations to the Options and Awards. As at the Latest Practicable Date, there are no outstanding Awards under the Stratech PSS. As such, no variation will be required to be made to the awards under the Stratech PSS. Shortly after the Effective Date, the Shares will be delisted and withdrawn from the SGX-ST.

An application was also made by the Company to the SGX-ST for the listing of and quotation for all the NewCo Shares (including the existing NewCo Shares, the NewCo Shares to be allotted and issued pursuant to the Scheme, the Varied Options Shares, the NewCo Option Shares and the NewCo Award Shares), on the SGX-ST.

The NewCo received the LQN on 29 January 2015. The LQN is subject to the following conditions:

- (i) compliance with the SGX-ST's listing requirements; and
- (ii) Shareholders' approval of the Scheme at the Court Meeting to be convened.

The LQN is not an indication of the merits of the Scheme, the NewCo Shares, the NewCo ESOS, the NewCo PSS and the Company.

**5.3 MAS**

By way of a letter dated 5 August 2014, the MAS had, pursuant to Section 273(5) of the SFA, declared that Subdivisions (2) and (3) of Division 1 of Part XIII of the SFA (other than Section 257 of the SFA) shall not apply to the offer of NewCo Shares made pursuant to the Proposed Restructuring and the Scheme, for a period of six (6) months from 5 August 2014. The declaration is subject to the conditions that:

- (a) the shareholders of and the composition of their shareholdings in NewCo immediately after the completion of the Proposed Restructuring and the Scheme shall be the same as that of the Company immediately prior to the completion of the Proposed Restructuring and the Scheme; and
- (b) the Company shall issue a shareholders' circular (together with the notice summoning a meeting under Section 210 of the Companies Act to all of its Shareholders containing all relevant information relating to NewCo, the Proposed Restructuring and the Scheme in accordance with the Listing Manual.

**5.4 Securities Industry Council**

By way of email dated 9 September 2014, the SIC confirmed that the provisions of the Code shall not apply to the Scheme.

**5.5 CPF**

The Shares are currently under the Central Provident Fund Investment Scheme-Ordinary Account.

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**6. FINANCIAL EFFECTS OF THE SCHEME**

- 6.1 The Scheme and the Proposed Restructuring is purely an internal restructuring exercise undertaken by the Company and NewCo to enable a transfer of the shareholding interests of the Shareholders in the capital of the Company to shareholding interests in the capital of NewCo.
- 6.2 At present, the Company is the listed vehicle carrying out both operational and investment holding functions of the Stratech Group. Following the Proposed Restructuring, the Company will relinquish its status as a listed company and become an indirectly wholly-owned operating subsidiary of NewCo, through its wholly-owned operating subsidiary, NewCo 2. The principal business activity of NewCo upon completion of the Proposed Restructuring will be that of investment holding. The Proposed Restructuring enables the establishment of a corporate structure where:
- (a) NewCo becomes an investment holding company indirectly owning 100% of the issued and paid-up share capital of the Company (through NewCo 2), and the listed vehicle in place of the Company; and
  - (b) the Company ceases its function as the listed vehicle within the Stratech Group and continues as the operational company carrying out its existing businesses.
- 6.3 The Company is of the view that the group structure of the Stratech Group following the implementation of the Scheme and completion of the Proposed Restructuring will facilitate the Stratech Group to explore other possible investment opportunities should such opportunities arise, as well as provide a structure which allows ease of divestment and discontinuation of unprofitable projects and/or non-core business of the Stratech Group. Further, the new corporate structure will allow the NewCo Group to dedicate its efforts to focus on the development of technology, products, systems and reference sites through the appropriate operating subsidiary.
- 6.4 For illustrative purposes only, the financial effects of the Proposed Restructuring set out below have been prepared based on the audited financial statements of the Stratech Group for FY2014. The financial effects have been prepared on the following assumptions:
- (a) estimated expenses of S\$290,000 to be incurred in relation to the Proposed Restructuring;
  - (b) the share capital of the NewCo is assumed to be based on the existing paid-up share capital of the Company as at 31 March 2014;
  - (c) nil or minimal fair value arising from the variation of the Options issued pursuant to the Stratech ESOS 2000 or the Stratech ESOS 2011;
  - (d) none of the outstanding Options issued pursuant to the Stratech ESOS 2000 or the Stratech ESOS 2011 are exercised;
  - (e) the Scheme has been completed on 31 March 2014 for the purposes of computing the effect on the pro forma NAV per share of the Stratech Group and the NewCo Group based on the audited consolidated financial statements of the Stratech Group for the financial year ended 31 March 2014;
  - (f) the Scheme has been completed on 1 April 2013 for the purposes of computing the effect on the pro forma EPS for the Stratech Group and the NewCo Group based on the audited consolidated financial statements of the Stratech Group for the financial year ended 31 March 2014; and

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- (g) the exchange ratio of one (1) new NewCo Share for one (1) Share, having regard to the Subscriber Shareholders Undertakings;

(i) Share capital

The effect of the Scheme on the issued share capital of the Company and NewCo are as follows:

Based on the audited consolidated financial statements of the Company for FY2014		Upon completion of Scheme			
Company		Company		NewCo	
Number of Shares	Share Capital (S\$)	Number of Shares	Share Capital (S\$)	Number of NewCo Shares	Share Capital (S\$)
1,567,183,371	112,708,766	1,567,183,371	112,708,766	1,567,183,371	112,708,766

(ii) EPS

The effect of the Scheme on the EPS of the Stratech Group and the NewCo Group are as follows:

	Before completion of Scheme	Upon completion of Scheme	
	Current Group	Current Group	NewCo Group
Profit attributable to shareholders for FY2014 (S\$)	1,459,251	1,169,251	1,169,251
Weighted average number of shares	1,565,539,535	1,565,539,535	1,565,539,535
Basic EPS (Singapore cents)	0.09	0.07 <sup>(*)</sup>	0.07 <sup>(*)</sup>

**Note:**

(\*) The decrease in the basic EPS upon completion of the Scheme is due to the estimated expenses of S\$290,000 to be incurred in relation to the Proposed Restructuring and the Scheme.

(iii) NAV

The effect of the Scheme on the NAV of the Stratech Group and the NewCo Group are as follows:

	Before completion of Scheme	Upon completion of Scheme	
	Current Group	Current Group	NewCo Group
Net assets as at 31 March 2014 (S\$)	5,943,468	5,653,468	5,653,468
NAV per share (Singapore cents)	0.38	0.36 <sup>(*)</sup>	0.36 <sup>(*)</sup>

**Note:**

(\*) The decrease in the NAV upon completion of the Scheme is due to the estimated expenses of S\$290,000 to be incurred in relation to the Proposed Restructuring and the Scheme.

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**7. ACTION TO BE TAKEN BY SHAREHOLDERS**

**7.1 Appointment of Proxies**

Shareholders who are unable to attend the Court Meeting and/or the EGM are requested to sign and return the Proxy Forms attached to this Document in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Registrar's office at B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758, not later than 48 hours before the time appointed for the Court Meeting and/or the EGM. If the Proxy Forms for the Court Meeting are not so lodged, they may be handed to the Chairman of the Court Meeting at the Court Meeting.

The completion and return of Proxy Forms will not prevent Shareholders from attending and voting at the Court Meeting and/or the EGM in person if they subsequently wish to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

**7.2 When Depositor is Regarded as Shareholder**

A Depositor shall not be regarded as a Shareholder entitled to attend and vote at the Court Meeting and/or the EGM unless he is shown to have Shares entered against his name in the Depository Register as at 48 hours before the time fixed for holding the Court Meeting and/or the EGM, as certified by CDP to the Company.

**8. MEETING**

**8.1 Court Meeting**

The Scheme is to be effected pursuant to Section 210 of the Companies Act. By an order of the Court dated 25 November 2014, the Court Meeting was directed to be convened for the purpose of approving the Scheme. The Scheme must be approved by a majority in number of the Shareholders present and voting, either in person or by proxy, at the Court Meeting and holding not less than three-fourths in value of the Shares held by such Shareholders.

**When the Scheme becomes effective, it will be binding upon all the Shareholders, regardless of whether they support or reject the Scheme or whether or not they were present in person or by proxy or voted at the Court Meeting.**

**8.2 Notice of Court Meeting**

The notice of the Court Meeting is set out on pages 151 and 152 of this Document. Shareholders are requested to take note of the date and time of the Court Meeting.

**9. IMPLEMENTATION OF THE SCHEME**

**9.1 Application to Court for Sanction**

Upon the Scheme being approved by a majority in number of the Shareholders present and voting, either in person or by proxy, at the Court Meeting, holding at least three-fourths in value of the Shares, an application will be made to the Court by the Company for the sanction of the Scheme.

**9.2 Procedure**

If the Court sanctions the Scheme, the Company and NewCo will take necessary steps to render the Scheme effective and the following will be implemented:

- (a) The Shares held by Entitled Shareholders will be transferred to NewCo 2 for the Scheme Consideration to be paid to the Entitled Shareholders for each Share transferred, as follows:
  - (i) in the case of Entitled Shareholders (being Depositors), the Company shall instruct CDP, for and on behalf of the Entitled Shareholders, to debit, not later than five (5) Business Days after the Effective Date, all the Shares standing to the credit of the Securities Account of such Entitled Shareholders and credit all of such Shares to the Securities Account of NewCo 2; and



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## EXPLANATORY STATEMENT

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- (ii) in the case of Entitled Shareholders (not being Depositors), the Company shall authorise any person to execute or effect on behalf of all such Entitled Shareholders, an instrument or instruction of transfer of all the Shares held by such Entitled Shareholders, and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Shareholders.
- (b) On and as from the Effective Date, all existing share certificates relating to the Shares held or owned by the Shareholders will be cancelled and cease to be valid for any purpose whatsoever whether or not they are returned to the Company for cancellation.
- (c) Entitled Shareholders (not being Depositors) shall be required to forward their existing share certificates relating to their Shares to the Registrar at B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758.

NewCo shall, not later than 10 calendar days after the Effective Date, and against the transfer of the Shares set out in paragraph 9.2(a) above, allot and issue to the Shareholders, NewCo Shares, credited as fully paid, on the basis of one (1) new NewCo Share for one (1) Share transferred by such Shareholders, provided that where a Shareholder is a Depositor, the NewCo Shares shall be issued to CDP for the benefit and to the credit of his Securities Account.

- (d) The NewCo Shares shall (i) be credited as fully paid; (ii) free from any Encumbrances; (iii) rank *pari passu* in all respects with one another as well as with the two (2) existing issued NewCo Shares as of the Effective Date; and (iv) have the same rights, benefits and entitlements attaching thereto as the two (2) existing issued NewCo Shares as of the Effective Date.
- (e) NewCo shall cause share certificates for the NewCo Shares allotted and issued pursuant to the Scheme to be sent no later than 10 calendar days after the Effective Date to:
  - (i) Entitled Shareholders (not being Depositors) by sending, at the risk of such Shareholders, the same by ordinary post addressed to such Shareholders at their respective addresses in the register of members of the Company on the Books Closure Date or, in the case of joint Shareholders, to the address of the first named Shareholder, and neither NewCo nor the Company shall be liable for any loss in transmission; and
  - (ii) Entitled Shareholders (being Depositors) by sending the same to CDP. CDP shall send to such Shareholders, by ordinary post to the address as maintained with CDP and at the risk of such Shareholders, a statement showing the number of NewCo Shares credited to their respective Securities Accounts.
- (f) All mandates or other instructions given by any Entitled Shareholder relating to the payment of dividends by the Company or relating to notices or other communication in force on the Books Closure Date shall, unless and until revoked, be deemed as on and from the Effective Date to be valid and effective instructions to NewCo in relation to his/her corresponding holding of the NewCo Shares.

## 10. CLOSURE OF BOOKS

### 10.1 Notice of Books Closure Date

Subject to the approval of the Scheme at the Court Meeting, and the sanction of the Scheme by the Court, notice of the Books Closure Date will be given in due course for the purpose of determining the entitlements of the Shareholders under the Scheme. The Books Closure Date is tentatively scheduled on 24 March 2015 at 5.00 p.m..

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**EXPLANATORY STATEMENT**  
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**10.2 Effect of books closure**

No transfer of the Shares where the certificates relating thereto are not deposited with CDP may be effected after the Books Closure Date.

**10.3 Trading in Shares on the SGX-ST**

The Scheme is tentatively scheduled to become effective on or about 25 March 2015. Subject to the Scheme becoming effective, the Shares are expected to be withdrawn and the Company to be delisted from the SGX-ST after the Scheme has become effective, tentatively on 27 March 2015. It is therefore expected that the last date for trading in the Shares will tentatively be 19 March 2015, being three (3) Market Days before the Books Closure Date and trading in the Shares will tentatively be suspended with effect from 9.00 a.m. on 20 March 2015.

Shareholders (not being Depositors) who wish to trade in their Shares are required to deposit with CDP their certificates relating to their Shares, at least 12 Market Days prior to the Books Closure Date. Such Shareholders whose names are registered in the register of members of the Company on the Books Closure Date will be entitled under the Scheme in accordance with the number of Shares registered in their names. Shareholders (being Depositors) whose Securities Accounts with CDP are credited with Shares as at the Books Closure Date will be entitled under the Scheme in accordance with the number of Shares standing to the credit of their Securities Account.

The NewCo Shares are tentatively scheduled to be listed and quoted on the Main Board of the SGX-ST on 27 March 2015 and trading in the NewCo Shares on the Main Board of the SGX-ST is tentatively scheduled to commence from 9.00 a.m. on 27 March 2015.

Please refer to future announcements by the Company for the actual dates of these events.

**11. SETTLEMENT AND REGISTRATION PROCEDURES**

Subject to the Scheme becoming effective, the following settlement and registration procedures will apply:

**(a) Entitled Shareholders whose Shares are deposited with the CDP**

Entitlements to the Scheme Consideration will be determined on the basis of the Entitled Shareholders (being Depositors) and the number of Shares standing to the credit of their Securities Account at 5.00 p.m. on the Books Closure Date.

Shareholders (being Depositors) who have not already done so are requested to take the necessary action to ensure that the Shares owned by them are credited to their Securities Account by 5.00 p.m. on the Books Closure Date.

Following the Effective Date, CDP will debit from each relevant Securities Account the number of Shares standing to the credit of the Securities Account of the relevant Entitled Shareholder (being a Depositor) based on the number of Shares standing to the credit of his Securities Account as at the Books Closure Date.

**(b) Entitled Shareholders whose Shares are not deposited with the CDP**

Entitlements to the Scheme Consideration will be determined on the basis of the Shareholders (not being Depositors) and their holdings of Shares appearing in the register of members on the Books Closure Date, which is expected to be at 5.00 p.m. on 24 March 2015.

Shareholders (not being Depositors) who have not already done so are requested to take the necessary action to ensure that the Shares owned by them are registered in their names with the Registrar by the Books Closure Date.

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**EXPLANATORY STATEMENT**  
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From the Effective Date, each existing share certificate representing a former holding of Shares by Entitled Shareholders (not being Depositors) will cease to be evidence of title to the Shares represented thereby. Within 10 calendar days of the Effective Date, NewCo shall allot and issue to each Entitled Shareholder the relevant number of NewCo Shares based on his holding of the Shares as at the Books Closure Date.

**12. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS**

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out in Section 4 of Appendix 1 (*General Information*) to this Document.

The effect of the Scheme on such interests of the Directors and Substantial Shareholders does not differ from that of the other Shareholders except that, after the Scheme becomes effective and binding, NewCo will indirectly hold 100% of the issued and paid-up share capital of the Company through NewCo 2.

All the Directors are also NewCo Directors.

**13. OVERSEAS SHAREHOLDERS**

**13.1 Overseas Shareholders**

The sending of this Document to Overseas Shareholders may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable legal requirements.

This Document will not be sent to any Overseas Shareholders due to the potential restrictions on sending such documents into the relevant overseas jurisdictions. For the avoidance of doubt, the Scheme is proposed to all Shareholders and applies to all Shareholders, including those Shareholders to whom this Document has not been and will not be sent.

**13.2 Copies of this Document**

Shareholders, including Overseas Shareholders, may obtain additional copies of this Document and any related documents, during normal business hours on any day prior to the date of the Court Meeting (other than a Saturday, a Sunday or a public holiday), from the Registrar at B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758. Alternatively, an Overseas Shareholder may write in to the Registrar at the same address to request for this Document and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to three (3) Market Days prior to the date of the Court Meeting.

It is the responsibility of any Overseas Shareholder who wishes to request for this Document and any related documents to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required and compliance with all necessary formalities or legal requirements. In requesting for this Document and any related documents, the Overseas Shareholder represents and warrants to NewCo and the Company that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities and legal requirements.

**13.3 Notice**

The Company and NewCo each reserves the right to notify any matter to any or all Overseas Shareholders by announcement on the SGXNET or paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure of any Shareholder to receive or see such announcement or advertisement.

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**EXPLANATORY STATEMENT**  
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**14. DIRECTORS' RECOMMENDATION**

The recommendation of the Directors in relation to the Scheme is set out on pages 45 and 46 of this Document.

**15. GENERAL INFORMATION**

Your attention is drawn to the further relevant information, including the Directors' and Substantial Shareholders' interests in the Shares, set out in the Appendices to this Document. The Explanatory Statement should be read in conjunction with, and is qualified by, the full text of this Document, including the Scheme.

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## APPENDIX 1: GENERAL INFORMATION

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### 1. DIRECTORS

#### 1.1 Directors of the Company

As at the Latest Practicable Date, the Directors are David Chew Khien Meow, Leong Sook Ching, Sajjad Ahmad Akhtar, Chew Hai Chwee, Chew Heng Ching and Lim Kim Choon.

#### 1.2 Audit & Risk Management Committee, Nominating Committee and Remuneration Committee of the Company

The members of the respective board committees are as follows:

##### **Audit & Risk Management Committee**

Chew Hai Chwee (Chairman)  
Sajjad Ahmad Akhtar  
Chew Heng Ching

##### **Nominating Committee**

Chew Heng Ching (Chairman)  
Sajjad Ahmad Akhtar  
Chew Hai Chwee

##### **Remuneration Committee**

Sajjad Ahmad Akhtar (Chairman)  
Chew Hai Chwee  
Chew Heng Ching

### 2. PRINCIPAL ACTIVITIES OF THE COMPANY

The Company was incorporated in Singapore on 19 November 1996 and was listed on the Main Board of the SGX-ST on 24 July 2000.

The Company is principally engaged in the design, development, integration, implementation, maintenance and project management of information technology and advanced technology systems.

### 3. SHARE CAPITAL OF THE COMPANY

3.1 **Number and Class of Shares.** The Company has only one (1) class of Shares, being ordinary shares. As at the Latest Practicable Date, the issued and paid-up share capital of the Company is as follows:

As at the Latest Practicable Date	No. of Shares	Issued share capital (S\$)
Issued and fully paid-up Shares	1,567,183,371	112,708,766.33

3.2 **Issue of Shares.** Since 31 March 2014 to the Latest Practicable Date, the Company has not issued any new Shares.

3.3 **Convertible Instruments:** Save as disclosed below, as at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, or options in respect of, the Shares which carry voting rights affecting the Shares.

## APPENDIX 1: GENERAL INFORMATION

As at the Latest Practicable Date, there are 695,000 outstanding Options under the Stratech ESOS 2000 entitling holders thereof to subscribe for a total of 695,000 Shares, details of which are as follows:

Offer Date of Options	Exercise price per share (S\$)	Options Outstanding as at Latest Practicable Date	Number of Optionholders as at Latest Practicable Date	Option Period
23 January 2006	0.076	695,000	4	10 years

As at the Latest Practicable Date, there are 30,118,330 outstanding Options under the Stratech ESOS 2011 entitling holders thereof to subscribe for a total of 30,118,330 Shares, of which 14,493,330 outstanding Options are currently exercisable into Shares, details of which are as follows:

Offer Date of Options	Exercise price per share (S\$)	Options Outstanding as at Latest Practicable Date	Number of Optionholders as at Latest Practicable Date	Option Period
2 September 2011	0.0187	13,118,330	2	10 years
11 November 2011	0.0166	500,000	1	10 years
26 February 2013	0.0290	4,000,000	1	10 years
22 April 2014	0.017	500,000	1	10 years
25 April 2014	0.017	4,000,000	1	10 years
6 August 2014	0.0176	4,000,000	1	10 years
3 October 2014	0.017	4,000,000	1	10 years

As at the Latest Practicable Date, there are no outstanding Awards under the Stratech PSS.

- 3.4 **Treasury Shares.** The Company does not have any treasury shares as at the Latest Practicable Date.

#### 4. DISCLOSURE OF INTERESTS

##### 4.1 Interests of the Directors in Shares

Based on the information recorded in the Register of Directors' Shareholdings of the Company, the interests of the Directors in the Shares as at the Latest Practicable Date were as follows:

Directors	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
David Chew Khien Meow(*)	441,918,405	28.20	90,832,852	5.80
Leong Sook Ching	90,832,852	5.80	441,918,405	28.20
Sajjad Ahmad Akhtar	855,173	0.05	–	–
Chew Hai Chwee(*)	812,506	0.05	–	–
Chew Heng Ching(*)	–	–	–	–
Lim Kim Choon	–	–	–	–

## APPENDIX 1: GENERAL INFORMATION

### Options to subscribe for Shares

Name of Director	Offer Date of Options	Number of Options granted	Number of Options accepted	Number of Options exercised	Number of outstanding Options	Exercise Price (S\$)	Option Period
David Chew Khien Meow(*)	2 September 2011	9,182,830	9,182,830	–	9,182,830	0.0187	10 years
Leong Sook Ching	2 September 2011	3,935,500	3,935,500	–	3,935,500	0.0187	10 years
Lim Kim Choon	11 November 2011	500,000	500,000	–	500,000	0.0166	10 years
Chew Heng Ching(*)	22 April 2014	500,000	500,000	–	500,000	0.017	10 years

**Note:**

(\*) David Chew Khien Meow, Chew Hai Chwee and Chew Heng Ching are not related to one another at all.

#### 4.2 Interests of Substantial Shareholders in Shares

Based on the information recorded in the Register of Substantial Shareholders of the Company, the interests of the Substantial Shareholders in the Shares as at the Latest Practicable Date are as follows:

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
David Chew Khien Meow	441,918,405	28.20	90,832,852	5.80
Leong Sook Ching	90,832,852	5.80	441,918,405	28.20

#### 4.3 Interests of Directors in Options under the Stratech ESOS 2000 and the Stratech ESOS 2011

As at the Latest Practicable Date, save as disclosed in paragraph 4.1 above, none of the Directors has any direct or indirect interest in any Options.

#### 4.4 Interests of Directors in Awards under the Stratech PSS

Save as disclosed in previous annual reports of the Company, as at the Latest Practicable Date, none of the Directors has any direct or indirect interest in any Awards.

#### 4.5 Holdings of NewCo Shares by the Company

As at the Latest Practicable Date, the Company does not own or control any NewCo Shares nor has the Company agreed to acquire any NewCo Shares.

### 5. MATERIAL LITIGATION

Save as disclosed by the Company via announcements on the SGXNET, as at the Latest Practicable Date:

- (a) the Company is not engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Company; and

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## **APPENDIX 1: GENERAL INFORMATION**

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- (b) the Directors are not aware of any litigation, claim or proceeding pending or threatened against the Company or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Company.

### **6. TAXATION**

The Directors are of the view that the Scheme should have no significant adverse tax implications on the Company. Shareholders who are in doubt as to their respective tax implications arising from the Scheme should consult their own professional advisers.

### **7. GENERAL DISCLOSURE**

Save as disclosed in this Document, there are, as at the Latest Practicable Date, no agreements or arrangements made between any Director and any other person in connection with or which are conditional upon the outcome of the Scheme.



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## APPENDIX 2: NEWCO ARTICLES

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### THE COMPANIES ACT, CHAPTER 50 PUBLIC COMPANY LIMITED BY SHARES ARTICLES OF ASSOCIATION OF THE STRATECH GROUP LIMITED

#### TABLE 'A'

- 1) The regulations in Table 'A' in the Fourth Schedule to the Act shall not apply to the Company, but the following shall, subject to repeal, addition and alteration as provided by the Act or these Articles, be the regulations of the Company. Table 'A' not to apply

#### INTERPRETATION

- 2) In these Articles, the words standing in the first column of the table below shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context: Interpretation

WORDS	MEANINGS
'Account Holder'	A person who has a securities account directly with the Depository and not through a Depository Agent.
'Act'	The Companies Act, Cap. 50, or any statutory modification, amendment or re-enactment thereof for the time being in force and any reference to any provision of the Act is to that provision as so modified or re-enacted or contained in any such subsequent act or acts.
'Alternate Director'	An Alternate Director appointed pursuant to Article 132.
'Auditors'	The auditors for the time being of the Company.
'book-entry securities'	The documents evidencing title to listed securities which are deposited by a Depositor with the Depository and are registered in the name of the Depository or its nominee, and which are transferable by way of book-entry in the Depository Register and not by way of an instrument of transfer.
'Company'	<b>The Stratech Group Limited</b> by whatever name from time to time called.
'Depositor'	An Account Holder or a Depository Agent but does not include a Sub-Account Holder.
'Depository'	The Central Depository (Pte) Limited established by the Exchange, or any other corporation approved by the Minister as a depository company or corporation for the purposes of the Act, which as a bare trustee operates the Central Depository System for the holding and transfer of book-entry securities.

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## APPENDIX 2: NEWCO ARTICLES

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‘Depository Agent’	<p>A member company of the Exchange, a trust company (registered under the Trust Companies Act, Cap. 336), a banking corporation or merchant bank (approved by the Monetary Authority of Singapore under the Monetary Authority of Singapore Act, Cap. 186), or any other person or body approved by the Depository who or which:</p> <ul style="list-style-type: none"><li>(a) performs services as a depository agent for Sub-Account Holders in accordance with the terms of a depository agent agreement entered into between the Depository and the Depository Agent;</li><li>(b) deposits book-entry securities with the Depository on behalf of the Sub-Account Holders; and</li><li>(c) establishes an account in its name with the Depository.</li></ul>
‘Depository Register’	<p>A register maintained by the Depository in respect of book-entry securities.</p>
‘Director’	<p>Includes any person acting as a director of the Company and includes any person duly appointed and acting for the time being as an Alternate Director.</p>
‘Directors’ or ‘Board’	<p>The Directors for the time being of the Company as a body or a quorum of the Directors present at a meeting of the Directors.</p>
‘dividend’	<p>Includes bonus.</p>
‘electronic communication’	<p>Communication transmitted (whether from one person to another, from one device to another, from a person to a device or from a device to a person):</p> <ul style="list-style-type: none"><li>(a) by means of a telecommunication system; or</li><li>(b) by other means but while in an electronic form,</li></ul> <p>such that it can (where particular conditions are met) be received in legible form or be made legible following receipt in non-legible form.</p>
‘Exchange’	<p>The Singapore Exchange Securities Trading Limited and, where applicable, its successors in title.</p>
‘Market Day’	<p>A day on which the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed) is open for trading in securities.</p>
‘Member’, ‘holder of any share’ or ‘shareholder’	<p>Any registered holder of shares for the time being or if the registered shareholder is the Depository, a Depositor named in the Depository Register (for such period as shares are entered in the Depositor’s Securities Account), save that references in these Articles to a ‘Member’ shall, where the Act requires, exclude the Company where it is a member by reason of its holding shares as treasury shares.</p>

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## APPENDIX 2: NEWCO ARTICLES

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‘month’	Calendar month.
‘Office’	The Registered Office for the time being of the Company.
‘Paid up’	Includes credited as paid up.
‘Register of Members’	The Register of Members of the Company.
‘Seal’	The Common Seal of the Company or in appropriate cases the Official Seal or duplicate Common Seal.
‘Secretary’	The secretary or secretaries for the time being of the Company and shall include any person entitled to perform the duties of secretary temporarily.
‘Securities Account’	The securities account maintained by a Depositor with a Depository.
‘Singapore’	The Republic of Singapore.
‘shares’	Shares in the capital of the Company.
‘Statutes’	The Act and every other legislation for the time being in force concerning companies and affecting the Company.
‘Sub-Account Holder’	A holder of an account maintained with a Depository Agent.
‘the Articles’ or ‘these Articles’	These Articles of Association or other regulations of the Company for the time being in force as originally framed or as altered from time to time by Special Resolution.
‘treasury share’	Shall have the meaning ascribed to it in the Act.
‘year’	Calendar year.
‘S\$’	The lawful currency of Singapore.
(a)	Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, typewriting, and other modes of representing or reproducing words in a visible form, whether in a physical document or in an electronic communication or form or otherwise whatsoever.
(b)	Words denoting the singular shall include the plural and vice versa. Words denoting the masculine gender only shall include the feminine gender. Words denoting persons shall include corporations.
(c)	The expressions ‘bare trustee’ and ‘documents evidencing title’ shall have the meanings ascribed to them respectively in Section 130A of the Act.
(d)	The expression ‘clear days’ notice’ shall, for the purposes of calculating the number of days necessary before a notice is served or deemed to be served, be exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given.

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## APPENDIX 2: NEWCO ARTICLES

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- (e) Subject as aforesaid, any words or expressions defined in the Statutes shall, except where the context otherwise requires, bear the same meanings in these Articles.
- (f) The headnotes and marginal notes are inserted for convenience only and shall not affect the construction of these Articles.
- (g) Any reference in these Articles to any enactment is a reference to that enactment as for the time being amended or re-enacted.
- (h) A Special Resolution shall be effective for any purposes for which an Ordinary Resolution is expressed to be required under any provision of these Articles.

### BUSINESS

- 3) Subject to the provisions of the Act, any branch or kind of business which by the Memorandum of Association of the Company or these Articles is either expressly or by implication authorised to be undertaken by the Company may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business.

Any business expressly or impliedly authorised may be undertaken by Directors

### PUBLIC COMPANY

- 4) The Company is a public company.

Public Company

### REGISTERED OFFICE

- 5) The Office shall be at such place in Singapore as the Directors shall from time to time determine.

Place of Office

### SHARES

- 6) Subject to the Act, no shares may be issued by the Directors without the prior approval of the Company in general meeting but subject thereto and to Article 67, and to any special rights attached to any shares for the time being issued, the Directors may issue, allot or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit. Any such shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit. Preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors Provided always that the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same.
- 7) Notwithstanding anything in these Articles, a treasury share shall be subject to such rights and restrictions as may be prescribed in the Act and may be dealt with by the Company in such manner as may be permitted by, and in accordance with, the Act. For the avoidance of doubt, save as expressly permitted by the Act, the Company shall not be entitled to any rights of a Member under these Articles.

Issue of shares

Treasury shares

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## APPENDIX 2: NEWCO ARTICLES

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- 8) Without prejudice to any special rights or privileges attached to any then existing shares, any new shares may be issued upon such terms and conditions, and with such rights and privileges attached thereto, as the Company by Ordinary Resolution may direct, or, if no such direction be given, as the Directors shall determine, and in particular such shares may be issued with preferential, qualified or deferred right to dividends and in the distribution of assets of the Company, and with a special or restricted right of voting, and any preference share may be issued on the terms that it is, or at the option of the Company is, to be liable to be redeemed. The rights attached to any such shares issued upon special conditions shall be clearly defined in these Articles.
- 9) (a) Preference shares may be issued subject to such limitation thereof as may be prescribed by law or by the listing rules of the Exchange. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six (6) months in arrears. In the event of preference shares being issued, the total number of issued preference shares shall not at any time exceed the total number of issued ordinary shares.
- (b) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued.
- 10) If at any time the share capital is divided into different classes, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall with such adaptations as are necessary apply. To every such separate general meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.

Creation of special rights

Rights attached to preference shares

Issue of further preference shares

Variation of rights of shares

Provided Always That:

- (a) the necessary quorum shall be two persons at least holding or representing by proxy or by attorney onethird of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll (if not required by the listing rules of the Exchange), but where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from the holders of threefourths of the issued shares of the class concerned within two months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting; and
- (b) where all the issued shares of the class are held by one person, the necessary quorum shall be one person and such holder of shares of the class present in person or by proxy or by attorney may demand a poll (if not required by the listing rules of the Exchange).

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## APPENDIX 2: NEWCO ARTICLES

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| 11) The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholders' rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned. Provided Always That where the necessary majority for such a Special Resolution is not obtained at a meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a Special Resolution carried at the meeting.   | Variation of rights of preference shareholders   |
| 12) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class or by these Articles, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects <i>pari passu</i> therewith but in no respect in priority thereto.  | Issue of further shares affecting special rights |
| 13) If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same.  | Payment of instalments                           |
| 14) The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors deem fit. Such commissions or brokerage may be paid in whole or in part in cash or fully or partly paid shares of the Company. The Company may, in addition to, or in lieu of, such commission, in consideration of any person so subscribing or agreeing to subscribe, or of his procuring or agreeing to procure subscriptions, for any shares in the Company, confer on any such person an option call within a specified time for a specified number of shares in the Company at a specified price or on such other terms and conditions as the Directors may deem fit. | Payment of commission                            |
| 15) Save to the extent permitted by the Act or the listing rules of the Exchange, no part of the funds of the Company shall, directly or indirectly, be employed in the purchase of or subscription for or making of loans upon the security of any shares (or its holding company, if any). The Company shall not, except as authorised by the Act, give any financial assistance for the purpose of or in connection with any purchase of shares in the Company (or its holding company, if any).  | Company's shares as security                     |
| 16) Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period (except treasury shares), and, subject to the conditions and restrictions mentioned in the Section 78 of the Act, may charge the same to capital as part of the cost of the construction of the works or building or the provision of the plant.  | Power to charge interest on capital              |
| 17) Except as required by law, no person other than the Depository shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of  | Company need not recognise trust                 |

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## APPENDIX 2: NEWCO ARTICLES

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any share, except an absolute right to the entirety thereof in the person (other than the Depository or its nominee, as the case may be) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the person whose name is entered in the Depository Register in respect of that share. Nothing contained in this Article relating to the Depository or the Depositors or in any depository agreement made by the Company with any common depository for shares or in any notification of substantial shareholding to the Company or any note made by the Company of any particulars in such notification or response shall derogate or limit or restrict or qualify these provisions; and any proxy or instructions on any matter whatsoever given by the Depository or Depositors to the Company or the Directors shall not constitute any notification of trust and the acceptance of such proxies and the acceptance of or compliance with such instructions by the Company or the Directors shall not constitute the taking of any notice of trust.

### SHARE CERTIFICATE

- 18) Shares must be allotted and certificates despatched within ten (10) Market Days of the final closing date for an issue of shares unless the Exchange shall agree to an extension of time in respect of that particular issue. The Depository must despatch statements to successful investor applicants confirming the number of shares held under their Securities Accounts. Persons entered in the Register of Members as registered holders of shares shall be entitled to certificates within ten (10) Market Days after lodgement of any registrable transfer. Every registered shareholder shall be entitled to receive share certificates in reasonable denominations for his holding and where a charge is made for certificates, such charge shall not exceed S\$2/- (or such other sum as may be approved by the Exchange from time to time). Where a registered shareholder transfers part only of the shares comprised in a certificate or where a registered shareholder requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the registered shareholder shall pay a fee not exceeding S\$2/- (or such other sum as may be approved by the Exchange from time to time) for each such new certificate as the Directors may determine. Where the Member is a Depositor the delivery by the Company to the Depository of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement.
- 19) The retention by the Directors of any unclaimed share certificates (or stock certificates as the case may be) shall not constitute the Company a trustee in respect thereof. Any share certificate (or stock certificate as the case may be) unclaimed after a period of six (6) years from the date of issue of such share certificate (or stock certificate as the case may be) may be forfeited and if so shall be dealt with in accordance with these Articles mutatis mutandis.
- 20) The certificate of title to shares shall be issued under the Seal in such form as prescribed by the Directors from time to time. Every certificate shall bear the autographic or facsimile signatures of at least two Directors or by one Director and the Secretary or some other person appointed by the Directors, and shall specify the number and class of shares to which it relates and the amount

Entitlement to share certificate

Retention of certificate

Form of share certificate

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## APPENDIX 2: NEWCO ARTICLES

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paid on the shares, the amount (if any) unpaid on the shares and the extent to which the shares are paid up. The facsimile signatures may be reproduced by mechanical or other means provided the method or system of reproducing signatures has first been approved by the Auditors of the Company. No certificate shall be issued representing more than one class of shares.

- 21) (a) Subject to the provisions of the Act, if any share certificates shall be defaced, worn-out, destroyed, lost or stolen, it may be renewed or replaced on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Exchange or on behalf of its/their client(s) as the Directors shall require, and in the case of defacement or wearing out, on delivery of the old certificate and in any case on payment of such sum not exceeding S\$2/- as the Directors may from time to time require. In the case of destruction, loss or theft, the Member or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction, loss or theft. Issue of replacement certificates
- (b) When any shares under the powers in these Articles herein contained are transferred and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up. New certificate in place of one not surrendered

### JOINT HOLDERS OF SHARES

- 22) Where two (2) or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions: Joint holders deemed holding as joint tenants
- (a) The Company shall not be bound to register more than three persons as the holders of any share, except in the case of executors, trustees or administrators of the estate of a deceased Member. Limited to 3 joint holders
- (b) The joint holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such share. Jointly and severally liable
- (c) On the death of any one of such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share but the Directors may require such evidence of death as they may deem fit. Survivorship
- (d) Any one of such joint holders may give effectual receipts for any dividend payable to such joint holders. Receipts
- (e) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders. Entitlement to delivery of share certificates and notice



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## APPENDIX 2: NEWCO ARTICLES

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### TRANSFER OF SHARES

- 23) Subject to the restrictions of these Articles any Member may transfer all or any of his shares, but every instrument of transfer of the legal title in shares must be in writing and in the usual common form, or in any other form which the Directors and the Exchange may approve, and must be left at the Office for registration, accompanied by the certificate of the shares to be transferred, and such other evidence (if any) as the Directors may require to prove the title of the intending transferor, or his right to transfer the shares. Form of transfer
- 24) Shares of different classes shall not be comprised in the same instrument of transfer. Different classes of shares
- 25) The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferee, provided that an instrument of transfer in respect of which the transferee is the Depository or its nominee (as the case may be) shall not be ineffective by reason of it not being signed or witnessed by or on behalf of the Depository or its nominee (as the case may be). The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof; Provided Always That the Directors may dispense with the execution of the instrument of transfer by the transferee in any case in which they think fit in their discretion so to do. Transferor and transferee to execute transfer
- 26) All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same. Retention of transfer
- 27) No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind. Person under disability
- 28) Subject to any legal requirements to the contrary, the Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six (6) years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six (6) years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six (6) years from the date of the cancellation thereof and it shall be conclusively presumed in the favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other documents so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company PROVIDED THAT:
- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any circumstances which would not attach to the Company in the absence of this Article; and

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## APPENDIX 2: NEWCO ARTICLES

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- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.
- 29) (a) Subject to these Articles, the Act or as required by the Exchange, there shall be no restriction on the transfer of fully paid up shares (except where required by law or the rules, bye-laws or listing rules of the Exchange) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve. Directors' power to decline to register
- (b) The Directors may decline to recognise any instrument of transfer of shares unless:
- (i) a fee not exceeding S\$2/- (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares may be listed) as the Director may from time to time require, is paid to the Company in respect thereof; Payment of fee and deposit of transfer
- (ii) the amount of proper duty (if any) with which each instrument of transfer of shares is chargeable under any law for the time being in force relating to stamp duty is paid;
- (iii) the instrument of transfer is deposited at the Office or such other place as the Directors may appoint and is accompanied by a certificate of payment of stamp duty (if any), the certificate of the shares to which the transfer relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and where the instrument is executed by some other person on his behalf, the authority of the person so to do; and
- (iv) the instrument of transfer is in respect of only one class of shares.
- 30) If the Directors refuse to register a transfer of any shares, they shall within ten (10) Market Days after the date on which the transfer was lodged with the Company (or such period of time as may be prescribed by the listing rules of the Exchange) give to the transferor and to the transferee notice of their refusal to register as required by the Act. Notice of refusal to register
- 31) The Register of Members and the Depository Register may be closed at such times and for such period as the Directors may from time to time determine; Provided Always That it shall not be closed for more than thirty (30) days in any year (in aggregate) and during such periods the Directors may suspend the registration of transfers. Further Provided Always That the Company shall give prior notice of such closure to the Exchange (as may be required by the listing rules of the Exchange) stating the period and purpose or purposes for which the closure is to be made. Closure of Register of Members
- 32) Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person. Renunciation of allotment

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- 33) Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by relevant parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. In every such case, the person registered as transferee, his executors, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.
- Indemnity against wrongful transfer

### TRANSMISSION OF SHARES

- 34) In the case of the death of a Member whose name is registered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors, trustees or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his shares, but nothing herein contained shall release the estate of a deceased shareholder from any liability in respect of any share solely or jointly held by him.
- Transmission on death
- 35) In the case of the death of a Member who is a Depositor, the survivor or survivors, where the deceased was a joint holder, and the legal personal representatives of the deceased, where he was a sole holder and where such legal representatives are entered in the Depository Register in respect of any shares of the deceased, shall be the only persons recognised by the Company as having any title to his interests in the share; but nothing herein contained shall release the estate of a deceased Depositor (whether sole or joint) from any liability in respect of any share held by him.
- Transmission on death of Depositor
- 36) (a) Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member or by virtue of a vesting order by a court of competent jurisdiction and recognised by the Company as having any title to that share may, upon producing such evidence of title as the Directors shall require, be registered himself as holder of the share upon giving to the Company notice in writing or transfer such share to some other person. If the person so becoming entitled shall elect to be registered himself, he shall send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member. The Directors shall have, in respect of a transfer so executed, the same power of refusing registration as if the event upon which the transmission took place had not occurred, and the transfer were a transfer executed by the person from whom the title by transmission is derived.
- Person becoming entitled on death or bankruptcy of Member may be registered

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- (b) The Directors may at any time give notice requiring any such person to elect whether to be registered himself as a Member in the Register of Members or, (as the case may be), entered in the Depository Register in respect of the share or to transfer the share and if the notice is not complied with within 60 days the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.
- 37) A person entitled to a share by transmission, as a consequence of the death or bankruptcy of any Member, shall have the right to receive and give a discharge for any dividends or other moneys payable in respect of the share, but he shall have no right to receive notice of or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a Member in respect of the share, unless and until he shall be registered as the holder thereof; Provided Always That the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within sixty (60) days the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.
- 38) There shall be paid to the Company in respect of the registration of any probate, letter of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares, such fee not exceeding S\$2/, or such other sum as may be approved by the Exchange from time to time, as the Directors may from time to time require or prescribe.

Notice to register to unregistered executors and trustees

Rights of unregistered executors and trustees

Fees for registration of probate etc.

### CALLS ON SHARES

- 39) The Directors may from time to time, as they think fit, make calls upon the Members in respect of any moneys unpaid on their shares or on any class of their shares and not by the conditions of the issue and allotment thereof made payable at fixed times; and each Member shall (subject to his having been given at least fourteen (14) days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be made payable by instalments. A call may be revoked or postponed as the Directors may determine.
- 40) A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
- 41) If before or on the day appointed for payment thereof, a call payable in respect of a share is not paid, the person from whom the amount of the call is due shall pay interest on such amount at such rate not exceeding ten per cent (10%) per annum as the Directors may determine from the day appointed for payment thereof to the time of actual payment, and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to procure payment of or in consequence of the non-payment of such call or instalment, but the Directors shall be at liberty to waive payment of such interest, costs, charges and expenses wholly or in part.

Directors may make calls on shares

Time when new call made

Interest and other late payment costs

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| 42) Any sum which by the terms of issue of a share is made payable upon allotment or at any fixed date and any instalment of a call shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment and, in the case of non-payment, the provisions of these Articles as to payment of interest and expenses, forfeiture and the like and all other relevant provisions of the Statutes or of these Articles shall apply as if such sum were a call duly made and notified as hereby provided.  | Sum due on allotment or other fixed date |
| 43) The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the time of payment of such calls.  | Power of Directors to differentiate      |
| 44) The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish (so far as the same shall extend) the liability upon the shares in respect of which it is made, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at a rate agreed between the Member paying such sum and the Directors provided that such rate may not exceed ten per cent (10%) per annum without the sanction of the Company in general meeting. Capital paid on shares in advance of calls shall not whilst carrying interest confer a right to participate in profits and until appropriated towards satisfaction of any call shall be treated as a loan to the Company and not as part of its capital and shall be repayable at any time if the Directors so decide. | Payment in advance of calls              |

### FORFEITURE OF SHARES

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| 45) If a Member fails to pay the whole or any part of any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment. | Notice requiring payment of unpaid calls            |
| 46) The notice shall name a further day (not earlier than the expiration of seven (7) days from the date of service of the notice) on or before which the payment required by the notice is to be made. It shall also name the place where payment is to be made and shall state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.   | Notice to state time and place of payment           |
| 47) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.  | Forfeiture of shares for non-compliance with notice |
| 48) A forfeiture of shares shall include all dividends in respect of the shares not actually paid before the forfeiture notwithstanding that they shall have been declared.  | Forfeiture to include all dividends                 |
| 49) The Directors may accept a surrender of any share liable to be forfeited hereunder.  | Directors may accept surrender in lieu              |

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| 50) | The forfeiture or surrender of a share shall involve the extinction at the time of forfeiture or surrender of all interest in and all claims and demands against the Company in respect of the share, and all other rights and liabilities incidental to the share as between the Member whose share is forfeited or surrendered and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Act given or imposed in the case of past Members.   | Extinction of forfeited share                      |
| 51) | Notwithstanding any such forfeiture, the Directors may, at any time before the forfeited share has been otherwise disposed of, annul the forfeiture, upon the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit.  | Directors may allow forfeited share to be redeemed |
| 52) | A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Directors think fit and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Directors think fit. To give effect to any such sale, re-allotment or other disposition, the Directors are empowered to or may authorise some other person to transfer the shares to the purchaser.  | Sale of forfeited shares                           |
| 53) | The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.  | Company may receive consideration of sale          |
| 54) | If any shares are forfeited and sold, any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited, or his executors, trustees, administrators or assignees or as he directs.   | Application of residue of proceeds of forfeiture   |
| 55) | A person whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall, notwithstanding such forfeiture or surrender, remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at the rate of ten per cent (10%) per annum (or such lower rate as the Directors may approve) from the date of the forfeiture or surrender until payment in respect of the shares; but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. The Directors may at their absolute disclosure enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment either wholly or in part. | Liabilities of Members whose shares forfeited      |
| 56) | Notice of any forfeiture shall forthwith be given to the holder of the share forfeited or to the person entitled by transmission to the share forfeited as the case may be. An entry of the forfeiture with the date thereof and the fact of the notice given shall be made in the Register of Members or in the Depository Register (as the case may be) opposite the share. The provisions of this Article are directory only, and no forfeiture shall be in any manner invalidated by any omission to give such notice or to make such entry as aforesaid.   | Notice of forfeiture                               |

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### LIEN ON SHARES

- 57) (a) The Company shall have a first and paramount lien and charge on all the shares not fully paid up in the name of a Member (whether solely or jointly with others) and all dividends from time to time declared. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article. Company's lien
- (b) No Member shall be entitled to receive any dividend or to exercise any privileges as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether along or jointly with any other person, together with interest and expenses (if any).
- 58) For the purpose of enforcing such lien, the Directors may sell all or any of the shares subject thereto in such manner as they think fit, but no sale shall be made unless some sum in respect of which the lien exists is presently payable and until a notice in writing stating the amount due and demanding payment and giving notice of intention to sell in default, shall have been served in such a manner as the Directors shall think fit on such Member or the person (if any) entitled by transmission to the shares, and default in payment shall have been made by him or them for seven (7) days after such notice. To give effect to any such sale or other disposition, the Directors are empowered or may authorise some other person to transfer the shares to the purchaser. Sale of shares subject to lien
- 59) The net proceeds of any such sale shall be applied in or towards satisfaction of the unpaid calls and accrued interest and expenses due from the Member to the Company in respect of the shares and the residue (if any) shall be paid to the person whose shares have been forfeited or his executors, administrators or assignees or as he directs; Provided Always That the Company shall be entitled to a lien upon such residue in respect of any money due to the Company but not presently payable like to that which it had upon the shares immediately before the sale thereof. Application of proceeds of sale
- 60) To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser and the Directors may enter the purchaser's name in the Register of Members as holder of the shares and the purchaser shall not be bound to see to the regularity or validity of the transfer or be affected by any irregularity or invalidity in the proceedings or be bound to see to the application of the purchase money. After his name has been entered in the Register of Members the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. Transfer and title to shares sold
- 61) A statutory declaration in writing by a Director that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof, together with the certificate under seal for the share delivered to a purchaser or allottee thereof, shall (subject to the execution of a transfer if the same be required) constitute Statutory declaration that share duly forfeited

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a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be entered in the Register of Members as the holder of the share or (as the case may be) in the Depository Register in respect of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the forfeiture, surrender, sale, re-allotment or disposal of the share.

### CONVERSION OF SHARES INTO STOCK

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| 62) | The Company in general meeting may convert any paid up shares into stock and may from time to time reconvert such stock into paid up shares.   | Conversion from share to stock and back to share |
| 63) | When any shares have been converted into stock, the several holders of such stock may transfer their respective interests therein or any part of such interests in such manner as the Company in general meeting shall direct, but in the absence of such direction, the respective interests may be transferred in the same manner and subject to the same regulations as the shares from which the stock arose would have been transferred prior to conversion or as near thereto as circumstances will admit. But the Directors may if they think fit from time to time fix the minimum number of stock units transferable.                   | Transfer of stock                                |
| 64) | The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards dividend and return of capital and the assets on winding up) shall be conferred by the number of stock units which would not, if existing in shares, have conferred that privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted. | Rights of stock-holders                          |
| 65) | All such provisions of these Articles as are applicable to paid up shares shall apply to stock and in all such provisions the words 'share' and 'shareholder' shall include 'stock' and 'stockholder'.   | Interpretation                                   |

### ALTERATIONS OF CAPITAL

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|-----|---|-------------------------------------|
| 66) | Subject to any special rights for the time being attached to any existing class of shares, any new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, as the Directors shall determine, and in particular, such new shares may be issued with a preferential or qualified right to dividends and in the distribution of the assets of the Company and with a special or restricted right of voting. | Rights and privileges of new shares |
| 67) | (a) The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.  | Power to increase capital           |
|     | (b) Subject to any direction to the contrary that may be given by the Company in general meeting or except as permitted under the listing rules of the Exchange, all new shares shall before issue be offered to such Members as are, at the date of the offer, entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the number of the existing shares to which they are entitled or hold. The offer shall be made by notice  | Issue of new shares                 |



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specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares), in the opinion of the Directors, cannot be conveniently offered under this Article.

- (c) Notwithstanding Article 67(b), the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:–
- (i) (A) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or
  - (B) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and
  - (ii) notwithstanding that the authority conferred by the Ordinary Resolution may have ceased to be in force, issue shares in pursuance of any Instrument made or granted while the Ordinary Resolution was in force,

provided that:–

- (I) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Exchange;
  - (II) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Exchange for the time being in force (unless such compliance is waived by the Exchange) and these Articles; and
  - (III) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).
- 68) Notwithstanding Article 67 above but subject to the Act, the Directors shall not be required to offer any new shares or make or grant any Instruments to Members to whom by reason of foreign securities laws such offer of shares or making or granting of Instruments may not be made without registration of the shares or Instruments or a prospectus or other document, but may, at their absolute discretion and on such terms and conditions as the Directors deem fit, sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.

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- 69) Subject to any directions that may be given in accordance with the powers contained in the Memorandum of Association of the Company or these Articles, any capital raised by the creation of new shares shall be considered as part of the original capital and as consisting of ordinary shares and shall be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as if it had been part of the original capital.
- 70) (a) The Company may by Ordinary Resolution:
- (i) consolidate and divide all or any of its shares;
  - (ii) subdivide its shares or any of them (subject nevertheless to the provisions of the Act) provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
  - (iii) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person or which have been forfeited and diminish the amount of its capital by the amount of the shares so cancelled; or
  - (iv) subject to the provisions of these Articles and the Act, convert any class of paid-up shares into any other class of paid-up shares.
- (b) Subject to and in accordance with the provisions of the Act, the listing rules of the Exchange and any applicable legislation or regulation, the Company may authorise the Directors in general meeting to purchase or otherwise acquire ordinary shares, stocks, preference shares, options, debentures, debenture stocks, bonds, obligations, securities, and all other equity, derivative, debt and financial instruments issued by it on such terms on such terms as the Company may think fit and in the manner prescribed by the Act. The Company may deal with any such share which is so purchased or acquired by the Company in such manner as may be permitted by, and in accordance with, the Act (including without limitation, to hold such share as a treasury share).
- 71) The Company may reduce its share capital or any undistributable reserve in any manner, subject to any requirements and consents required by law. Without prejudice to the foregoing, upon cancellation of shares purchased or otherwise acquired by the Company pursuant to these Articles and the Act, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and where any such cancelled shares were purchased or acquired out of the capital of the Company, the amount of the share capital of the Company shall be reduced accordingly.

Capital raised deemed original capital

Power to consolidate, cancel and sub-divide shares

Power to purchase or acquire shares.

Reduction of share capital

### GENERAL MEETINGS

- 72) The Company shall in each calendar year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it. Not more than fifteen (15) months shall elapse between the date of one annual general meeting and that of the next. The annual general meeting shall be held at such time and place as the Directors shall determine.

Annual general meetings

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- 73) All general meetings other than annual general meetings shall be called extraordinary general meetings. Extraordinary general meetings
- 74) The Directors may whenever they think fit convene an extraordinary general meeting and an extraordinary general meeting shall also be convened on such requisition by Members in accordance with the Act or in default may be convened by such requisitioner as provided for under the Act. If at any time there are not within Singapore sufficient Directors capable of action to form a quorum at a meeting of Directors, any Director may convene an extraordinary general meeting in the same manner as nearly as possible as that in which such a meeting may be convened by the Directors. Calling for extraordinary general meetings
- 75) The time and place of any meeting shall be determined by the convenors of the meeting. If required by the listing rules of the Exchange, all general meetings shall be held in Singapore, unless prohibited by relevant laws and regulations of the jurisdiction of the Company's incorporation, or unless such requirement is waived by the Exchange. Time and place of meeting

### NOTICE OF GENERAL MEETINGS

- 76) Any general meeting at which it is proposed to pass Special Resolutions or a resolution of which special notice has been given to the Company pursuant to the Act, shall be called by at least twenty-one (21) clear days' notice in writing. An annual general meeting or any other general meeting shall be called by at least fourteen (14) clear days' notice in writing. The notice must specify the place, the day and the hour of the meeting, and in the case of special business the general nature of such business. Such notice shall be given in the manner hereinafter mentioned to such persons as are under the provisions of these Articles entitled to receive notices of general meetings from the Company, but with the consent of all persons for the time being entitled as aforesaid, a meeting may be convened in such manner as such persons may approve. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given. Length of notice
- Contents of notice

Subject to the provisions of the Act, notwithstanding that it has been called by a shorter notice than that specified above, a general meeting shall be deemed to have been duly called if it is agreed: Shorter notice

- (i) in the case of an annual general meeting by all the Members entitled to attend and vote thereat; and
- (ii) in the case of an extraordinary general meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than ninety-five per cent (95%) of the total voting rights of all the Members having a right to vote at that meeting.

Provided also that the accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting. Accidental omission

So long as the shares of the Company are listed on the Exchange, at least fourteen (14) days' notice of every general meeting shall be given by advertisement in the daily press and in writing to the Exchange and to each stock exchange upon which the Company is listed.

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- 77) Notice of every general meeting shall be given in any manner authorised by these Articles to:
- Form of notice and to whom to be given
- (a) every Member holding shares conferring the right to attend and vote at the meeting who at the time of the convening of the meeting shall have paid all calls or other sums presently payable by him in respect of shares;
  - (b) every person entitled to a share in consequence of the death or bankruptcy or otherwise of a Member who but for the same would be entitled to receive notice of the meeting;
  - (c) every Director;
  - (d) the Auditors, without prejudice to Article 183; and
  - (e) the Exchange.
- No other person shall be entitled to receive notices of general meetings; Provided Always That if the meeting is called for the alteration of the objects of the Company, the notice shall comply with the provisions of Section 33 of the Act regarding notices to debenture holders.
- 78) There shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that a proxy need not be a Member.
- Notice to state that Member can appoint proxy
- 79) All business shall be deemed special that is transacted at an extraordinary general meeting and also all that is transacted at an annual general meeting with the exception of the consideration of the accounts, balance sheets and reports (if any) of the Directors and Auditors, the election of Directors in place of those retiring by rotation or otherwise, the fixing of the fees of Directors proposed to be passed under Article 106(a), the declaration of dividends, and the appointment of and the fixing of the remuneration of the Auditors, which shall be deemed routine business. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business.
- All business deemed special business
- 80) In the case of any general meeting at which business other than routine business is to be transacted (special business), the notice shall specify the general nature of the special business, and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect.
- Notice to specify nature of special business

### PROCEEDINGS AT GENERAL MEETINGS

- 81) No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Except as herein otherwise provided, two (2) Members present in person shall form a quorum. For the purposes of this Article, 'Member' includes a person attending as a proxy and a corporation being a Member shall be deemed to be personally present if represented in accordance with the provisions of Section 179(3) of the Act. Provided that (a) a proxy representing more than one Member shall only count as one Member for the purpose of determining the quorum; and (b) where a Member is represented by more than one proxy such proxies shall count as only one Member for the purpose of determining the quorum.
- Quorum

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- 82) If within half an hour from the time appointed for the holding of a general meeting a quorum is not present, the meeting if convened on the requisition of Members shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved. Adjournment if quorum not present
- 83) The Chairman of the Board or, in his absence, the Deputy Chairman (if any) shall preside as Chairman at every general meeting, but if there be no such Chairman or Deputy Chairman, or if at any meeting he shall not be present within fifteen (15) minutes after the time appointed for holding the same, or shall be unwilling to act as Chairman, the Members present shall choose some Director, or if no Director be present, or if all the Directors present decline to take the chair, one of themselves to be Chairman of the meeting. Chairman
- 84) The Chairman of the meeting may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place (or sine die), but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for fourteen (14) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting. Adjournment by chairman
- 85) (a) Subject to Article 85(b), at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless, subject to Article 89, a poll is demanded either before or on the declaration of the result by the show of hands: Method of voting
- (i) by the Chairman of the meeting;
  - (ii) by at least two Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that Member) or attorney or in the case of a corporation by a representative, and entitled to vote thereat;
  - (iii) by any Member or Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or
  - (iv) by any Member or Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than ten per cent (10%) of the total sum paid up on all the shares conferring that right.

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Unless voting by way of a poll is required by the listing rules of the Exchange or a poll is so demanded (and the demand is not withdrawn) a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll may be withdrawn.

- (b) If required by the listing rules of the Exchange, all resolutions at any general meeting of the Company shall be voted by poll (unless such requirement is waived by the Exchange).

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| 86) | In the case of an equality of votes whether on a show of hands or on a poll as aforesaid, the Chairman shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled as a Member or as a proxy of a Member.   | Equality of votes             |
| 87) | If a poll is required by the listing rules of the Exchange or demanded as aforesaid, it shall be taken in such manner and at such time and place as the Chairman of the meeting directs and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was required by the listing rules of the Exchange or demanded. No notice need be given of a poll not taken at once. In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same and such determination made in good faith shall be final and conclusive.                                 | Time for taking a poll        |
| 88) | If a poll is duly required by the listing rules of the Exchange or demanded (and the demand is not withdrawn) it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of such a poll shall be deemed to be the resolution of the meeting at which the poll was required by the listing rules of the Exchange or demanded. The Chairman may, and if so required by the listing rules of the Exchange or requested shall, appoint scrutineers in accordance with the listing rules of the Exchange and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. | Method of taking poll         |
| 89) | The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.  | Continuance of business       |
| 90) | Unless otherwise required by the listing rules of the Exchange, no poll shall be demanded on the election of a Chairman of a meeting or on a question of adjournment.  | No poll                       |
| 91) | If at any general meeting any votes shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the vote unless it is pointed out at the same meeting, and is in the opinion of the Chairman of sufficient magnitude to vitiate the result of the voting.   | Error in counting votes       |
| 92) | The Members may, if the Directors at their absolute discretion deem fit, participate at a general meeting by telephone or video conference or by means of similar communication equipment whereby all persons participating in the meeting are able to hear and, if applicable, see each other and such participation shall constitute presence in person at such meeting and Members (or their proxy or, in the case of a corporation, their respective   | Meetings via electronic means |

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corporate representatives) so participating shall be counted in the quorum for the meeting. Such a meeting shall be deemed to take place where the largest group of Members (or their proxy, or in the case of a corporation, their respective corporate representatives) present for purposes of the meeting is assembled or, if there is no such group, where the Chairman of the meeting is present.

### VOTES OF MEMBERS

- 93) (a) Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company, each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- (b) On a show of hands every Member who is present in person or by proxy or attorney, or in the case of a corporation by a representative, shall have one vote provided that if a Member is represented by two proxies, without prejudice to specific terms of Article 98 only one of the two proxies as determined by their appointor shall vote on a show of hands and in the absence of such determination, only one of the two proxies as determined by the Chairman (or by a person authorised by him) shall vote on a show of hands and on a poll, every Member who is present in person or by proxy, attorney or representative shall have one vote for each share which he holds or represents.
- (c) Notwithstanding anything contained in these Articles, a Depositor shall not be entitled to attend any general meeting and to speak and vote thereat unless his name is certified by the Depository to the Company as appearing on the Depository Register not later than 48 hours before that general meeting (the 'cut-off time') as a Depositor on whose behalf the Depository holds shares. For the purpose of determining the number of votes which a Depositor or his proxy may cast on a poll, the Depositor or his proxy shall be deemed to hold or represent that number of shares entered in the Depositor's Securities Account at the cut-off time as certified by the Depository to the Company, or where a Depositor has apportioned the balance standing to his Securities Account as at the cut-off time between two proxies, to apportion the said number of shares between the two proxies in the same proportion as specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the number of shares standing to the credit of that Depositor's Securities Account as at the cut-off time, and the true balance standing to the Securities Account of a Depositor as at the time of the relevant general meeting, if the instrument is dealt with in such manner as aforesaid.
- (d) Subject to these Articles and the Statutes, the Board may, at its sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

Voting rights of  
Members

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- 94) If any Member be a lunatic, idiot or non compos mentis he may vote by his committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy, but no person claiming to vote pursuant to this Article shall do so unless such evidence as the Directors may require of his authority shall have been deposited at the Office not less than forty-eight (48) hours before the time for holding the meeting at which he wishes to vote. Voting rights of Members of unsound mind
- 95) If two (2) or more persons are jointly entitled to a share then in voting upon any question, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered holders of the share and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or the Depository Register (as the case may be). Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof. Voting rights of joint holders
- 96) Save as expressly provided herein or in the Act, no person other than a Member duly registered, and only in respect of shares upon which all calls due to the Company have been paid, shall be entitled to be present or to vote on any question, either personally or by proxy, attorney or representative at any general meeting. Right to vote
- 97) Any instrument appointing a proxy shall be in writing in the common form approved by the Directors and: Instrument of proxy
- (a) in the case of an individual, shall be:
- (i) under the hand of the appointor or his attorney duly authorised in writing if the instrument is delivered personally or sent by post; or
- (ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and
- (b) in the case of a corporation, shall be:
- (i) either given under seal or under the hand of its attorney duly authorised or in the case of the Depository or its nominee, signed by its duly authorised officer by some method of system of mechanical signature as the Depository or its nominee may deem appropriate, if the instrument is delivered personally or sent by post; or
- (ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication,

and the Company shall accept as valid in all respects the form of proxy approved by the Directors for use at the date relevant to the general meeting in question. The instrument appointing a proxy shall be deemed to confer authority generally to act at the meeting for the Member giving the proxy (including the authority to demand or join in demanding a poll). The Directors may, in their absolute discretion, approve the method and manner for such instruments to be authorised as contemplated in Articles 97(a)(ii) and 97(b)(ii) for application to such Members or class of Members as they may determine. The Directors may, in their absolute discretion, designate the procedure for



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authenticating such instruments as contemplated in Articles 97(a)(ii) and 97(b)(ii) for application to such Members or class of Members as they may determine, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), Article 97(a)(i) and/or (as the case may be) Article 97(a)(ii) shall apply.

- 98) (a) Except as provided for under Article 98(b) below, a Member may not appoint more than two proxies to attend and vote at the same general meeting. A proxy or attorney need not be a Member. Appointment of proxies
- (b) Notwithstanding Article 98(a), if a Member is a corporation providing nominee or custodial services to shareholders of the Company, such Member may, to the extent permitted by law, appoint any number of proxies to attend and vote at the same meeting notwithstanding that such number exceeds two.
- (c) If the Member is a Depositor, the Company shall be entitled:
- (i) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered in its Securities Account as at the cut-off time (as defined in Article 93(c)) as certified by the Depository to the Company; and
- (ii) to accept as validly cast by the proxy or proxies appointed by the Depositor on a poll that number of votes which corresponds to or is less than the aggregate number of shares entered in the Securities Account of that Depositor as at the cut-off time as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.
- (d) Where a Member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any subsequent named proxy as an alternate to the earlier named.
- (e) Voting right(s) attached to any shares in respect of which a Member has not appointed a proxy may only be exercised at the relevant general meeting by the Member personally or by his attorney, or in the case of a corporation by its representative.
- (f) Where a Member appoints a proxy in respect of more shares than the shares standing to his name in the Register of Members, or in the case of a Depositor, standing to the credit of his Securities Account, such proxy may not exercise any of the votes or rights of shares not registered to the name of that Member in the Register of Members or standing to the credit of that Depositor's Securities Account as the case may be, as at the cut-off time.
- 99) An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates and need not be witnessed. Instrument appointing proxy valid at adjourned meeting

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- 100) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority shall be:
- (a) if sent personally or by post, deposited at the Office or at such other place within Singapore as is specified for that purpose in the notice convening the meeting; or
  - (b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in the notice convening the meeting,
- and in either case at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting as the case may be; otherwise the person so named shall not be entitled to vote in respect thereof unless the Directors otherwise determine. The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in Article 100(b). Where the Directors do not so specify in relation to a Member (whether a class or otherwise), Article 100(a) shall apply.
- 101) Unless otherwise directed by the Chairman of the meeting, a vote given in accordance with the terms of an instrument of proxy shall be treated as valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given; Provided Always That no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used.
- 102) Any corporation which is a Member may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member. The Company shall be entitled to treat a certificate under the seal of the corporation as conclusive evidence of the appointment or revocation of appointment of a representative under this Article.
- 103) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision as to its validity shall be final and conclusive.
- DIRECTORS**
- 104) Subject to the listing rules of the Exchange, the number of Directors, all of whom shall be natural persons, shall not be less than two.
- 105) A Director need not be a Member and shall not be required to hold any share, but subject to the provisions of the Act he shall not be of or over the age of 70 years at the date of his appointment.

Deposit of  
instrument of proxy

Intervening death or  
insanity of Member

Corporations acting  
via representative

Objections

Number of Directors

Qualifications

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- 106) (a) The fees of the Directors shall be determined from time to time by the Company in general meetings and such fees shall (unless such resolution otherwise provides) not be increased except pursuant to an Ordinary Resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the meeting. Such fees shall be divided among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such fee is payable shall be entitled only to rank in such division for the proportion of fee related to the period during which he has held office. Fees for Directors
- (b) Any Director who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside the scope of his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this Article. Extra remuneration
- (c) The remuneration (including any remuneration under Article 106(b) above) in the case of a Director other than an Executive Director shall comprise: (i) fees which shall be a fixed sum and/or (ii) such fixed number of shares in the capital of the Company, and shall not at any time be by commission on, or percentage of, the profits or turnover, and no Director whether an Executive Director or otherwise shall be remunerated by a commission on, or percentage of turnover. Remuneration by fixed sum
- 107) The Directors shall be entitled to be repaid all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company, in the course of the performance of their duties as Directors. Reimbursement of expenses
- 108) The Directors may procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pension or superannuation fund or life assurance scheme or any other scheme whatsoever for the benefit of and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to any persons (including Directors and other officers) who are or shall have been at any time in the employment or service of the Company or of the predecessors in business of the Company or of any subsidiary company, and the wives, widows, families or dependants of any such persons. The Directors may also procure the establishment and subsidy of, or subscription and support to, any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid or of its Members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. Benefits for employees
- 109) (a) Other than the office of auditor, a Director may hold any other office or place of profit in the Company and he or any firm of which he is a member or any company of which he is a Director or shareholder may act in a professional capacity for the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. Subject to the Act, no Director or intending Director shall be disqualified by his office Power of Directors to hold office of profit and to contract with Company

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## APPENDIX 2: NEWCO ARTICLES

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from contracting or entering into any arrangement with the Company whether as vendor, purchaser, lessor, lessee, mortgagor, mortgagee, manager, agent, broker or otherwise howsoever nor shall such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested whether directly or indirectly be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established. Provided Always That he has complied with the requirements of Section 156 of the Act as to disclosure.

- (b) Every Director shall observe the provisions of Section 156 of the Act relating to the disclosure of the interests of the Directors in contracts or proposed contracts with the Company or of any office or property held by a Director which might create duties or interests in conflict with his duties or interests as a Director. Notwithstanding such disclosure, a Director shall not vote in regard to any contract or proposed contract or arrangement in which he has directly or indirectly a personal material interest although he shall be taken into account in ascertaining whether a quorum is present. Directors to observe Section 156 of the Act
- 110) (a) A Director may be or become a director of, or hold any office or place of profit (other than as auditor), or be otherwise interested in any company in which the Company may be interested as vendor, purchaser, shareholder or otherwise and such Director shall not be accountable for any fees, remuneration or other benefits received by him as a Director or officer of, or by virtue of his interest in such other company unless the Company otherwise directs. Holding of office in other companies
- (b) Subject always to Article 109(b), the Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any such director of the Company may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company. Directors may exercise voting power conferred by Company's shares in another company
- 111) The Company in general meeting may, subject to the provisions of these Articles and any requirements of the Act, by Ordinary Resolution of which notice has been given to all Members entitled to receive notices, from time to time remove any Director before the expiration of his period of office (notwithstanding anything in these Articles or in any agreement between the Company and such Director) and appoint another person in place of the Director so removed (and any person so appointed shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director), and may increase or reduce the number of Directors, and may alter their share qualifications (if any). Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company. In default of such appointment the vacancy so arising may be filled by the Directors as a casual vacancy in accordance with Article 118. Until otherwise determined by a general meeting, there shall be no maximum number of Directors. Removal of Director and change in maximum number of Directors

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## APPENDIX 2: NEWCO ARTICLES

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- 112) Subject as herein otherwise provided or to the terms of any subsisting agreement, the office of a Director shall be vacated on any one of the following events:
- (a) If he is prohibited from being a Director by reason of any order made under the Act.
  - (b) If he ceases to be a Director by virtue of any of the provisions of the Act, including but not limited to Section 147 of the Act.
  - (c) If by notice in writing to the Company under his hand left at the Office, he resigns from office.
  - (d) If a receiving or bankruptcy order is made against him or if he suspends payments or makes any arrangement or composition with his creditors.
  - (e) If he should be found lunatic or becomes of unsound mind.
  - (f) If he absents himself from the meetings of the Directors during a continuous period of six (6) months without special leave of absence from the Board and they pass a resolution that he has by reason of such absence vacated office.
  - (g) If he is removed from office by the Company in general meeting pursuant to these Articles.
  - (h) Subject to the provisions of the Act at the conclusion of the annual general meeting commencing next after he attains the age of seventy (70) years. Director to resign
  - (i) If he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds (in which case he must immediately resign from the Board).
- 113) A Director shall be entitled to receive notice of, attend and speak at all general meetings of the Company. Attendance at general meeting

### ROTATION OF DIRECTORS

- 114) Subject to these Articles and to the Act, at each annual general meeting at least one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not lesser than one-third) shall retire from office by rotation, Provided That all Directors submit themselves for re-nomination and re-election at regular intervals and at least once every three years. A retiring Director shall retain office until the close of the meeting, whether adjourned or not. Selection of Directors to retire
- 115) The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who is due to retire at the meeting by reason of age or who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment or have been in office for the three years since their last election. However as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

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## APPENDIX 2: NEWCO ARTICLES

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- 116) The Company at the meeting at which a Director retires under any provision of these Articles may by Ordinary Resolution fill the vacated office by electing a person thereto. In default the retiring Director shall be deemed to have been re-elected, unless:
- Deemed re-appointed
- (a) at such meeting it is expressly resolved not to fill up such vacated office or a resolution for the re-election of such Director is put to the meeting and lost; or
  - (b) such Director is disqualified under the Act from holding office as a Director or has given notice in writing to the Company that he is unwilling to be re-elected;
  - (c) the default is due to the moving of a resolution in contravention of Section 150 of the Act; or
  - (d) such Director has attained any retiring age applicable to him as a Director.

The retirement shall not take effect until the conclusion of the meeting (except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost) and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

- 117) A person, other than a Director retiring at the meeting, shall be eligible for election to office as a Director at any general meeting if not less than eleven clear days before the day appointed for the meeting there shall have been left at the Office (a) a notice in writing signed by some Member (other than the person to be proposed), duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and (b) a notice in writing duly signed by the nominee giving his consent to the nomination and signifying his candidature for the office, Provided That in the case of a person recommended by the Directors for election, nine clear days' notice only shall be necessary, and notice of each and every candidate for election shall be served on all Members at least seven clear days prior to the meeting at which the election is to take place.
- Notice of intention to appoint Director
- 118) The Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director but the total number of Directors shall not at any time exceed the maximum number (if any) fixed by these Articles. Without prejudice thereto, the Directors shall have power at any time and from time to time to do so, but any person so appointed shall hold office only until the next annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.
- Directors' power to fill casual vacancies and to appoint additional Directors

### CHIEF EXECUTIVE OFFICER

- 119) The Directors may from time to time appoint one or more of their body or any other person(s) to be Chief Executive Officer(s) of the Company (or any equivalent appointment(s) howsoever described) and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their places. Where an appointment is for a fixed term, such term shall not exceed five (5) years.
- Appointment, resignation and removal of Chief Executive Officer

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## APPENDIX 2: NEWCO ARTICLES

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- 120) Subject to the provisions of any contract between a Chief Executive Officer and the Company, the Chief Executive Officer (or any person holding an equivalent appointment) who is a Director shall comply with the same provisions as to retirement by rotation, resignation and removal as the other Directors. The appointment of such Chief Executive Officer (or any person holding an equivalent appointment) who is a Director shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds the office shall expressly state otherwise.
- 121) A Chief Executive Officer (or any person holding an equivalent appointment) shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, commission or participation in profit, or partly in one way and partly in another) as the Directors may determine; but he shall not under any circumstance be remunerated by a commission on or a percentage of turnover.
- 122) The Directors may entrust to and confer upon a Chief Executive Officer (or any person holding an equivalent appointment) any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter, or vary all or any of those powers. A Chief Executive Officer shall be subject to the control of the Board.

### POWERS AND DUTIES OF DIRECTORS

- 123) The business and affairs of the Company shall be managed by or under the direction of the Directors who may exercise all such powers of the Company as are not by the Act or by these Articles required to be exercised by the Company in general meeting subject nevertheless to the provisions of the Act and these Articles.
- Any sale or disposal by the Directors of the Company's main undertaking shall be subject to ratification by shareholders in a general meeting.
- The general power given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.
- 124) The Directors may establish any local boards or agencies for managing any affairs of the Company, either in Singapore or elsewhere, and may appoint any persons to be members of such local boards or any managers or agents, and may fix their remuneration and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to subdelegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person acting in good faith and without notice of any such annulment or variation shall be affected thereby.
- 125) Subject to the Statutes and the provisions of these Articles, the Directors may at their discretion exercise all powers of the Company to borrow or otherwise raise money, to mortgage, charge or hypothecate all or any of the property or business of the Company including any uncalled or called but unpaid capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

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## APPENDIX 2: NEWCO ARTICLES

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- 126) The Directors may delegate any of their powers or discretion other than the powers to borrow and make calls to committees consisting of such members of their body as they think fit and (if thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the power so delegated conform to any regulations that may from time to time be imposed upon them by the Board. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee.
- Power to delegate to committee
- 127) The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any terms of reference made by the Directors under the last preceding Article.
- Proceedings of committees
- 128) The Directors may, at any time, and from time to time, by power of attorney under the Seal, appoint any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles), and for such period and subject to such conditions as the Directors may from time to time think fit, and such appointment may (if the Directors think fit) be made in favour of the Members or in favour of any body corporate or of the members, Directors, nominees or managers of any body corporate or unincorporate, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors, and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorney as the Directors may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
- Power to appoint attorneys
- 129) All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments in which the Company is in any way concerned or interested and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall from time to time by resolution determine.
- Signing of cheques and bills
- 130) All *bona fide* acts done by any meeting of Directors or of a committee of Directors or by any person acting as Director shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them were or was disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.
- Validity of acts despite defect in appointment
- 131) The Company may exercise the powers conferred upon the Company by Section 196 of the Act with regard to the keeping of a Branch Register, and the Directors may (subject to the provisions of that Section) make and vary such regulations as they may think fit respecting the keeping of any such Register.
- Branch register



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### ALTERNATE DIRECTOR

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| 132) Any Director may at any time by writing under his hand and deposited at the Office appoint any person approved by majority of his co-Directors to be his Alternate Director during such period as he thinks fit and may in like manner at any time terminate such appointment. Any appointment or removal by telefax, telex or cable shall be confirmed as soon as possible by letter, but may be acted upon by the Company meanwhile.   | Appointment of Alternate Director                    |
| 133) No Director may act as an Alternate Director. A person may not act as an Alternate Director for more than one Director.  | No Director may act as Alternate Director            |
| 134) The appointment of an Alternate Director shall ipso facto terminate on the happening of any event which if he were a Director would render his office as a Director to be vacated and his appointment shall also terminate ipso facto if his appointor ceases for any reason to be a Director.   | Determination of appointment                         |
| 135) An Alternate Director shall (subject to his giving to the Company an address in Singapore) be entitled to receive notices of meetings of the Directors and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all functions of his appointor as a Director and in the absence and for the purposes of the proceedings of such meeting the provision of these Articles shall apply as if he (instead of his appointor) were a Director. If his appointor is for the time being absent from Singapore or temporarily unable to act through ill health or disability, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committee of the Directors, the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of any such committee of which his appointor is a member. An Alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles. | Notices and attendance at meetings                   |
| 136) An Alternate Director shall be entitled to contract and be interested in and benefit from contracts and arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as Alternate Director any remuneration except such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct. Any fee paid to an Alternate Director shall be deducted from the remuneration otherwise payable to his appointor.   | Remuneration   |
| 137) An Alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being under these Articles but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him at which he is entitled to vote.  | Alternate Director counted for quorum purposes       |
| 138) An Alternate Director shall not be required to hold any share qualification.   | Alternate Director need not hold share qualification |

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## APPENDIX 2: NEWCO ARTICLES

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### PROCEEDINGS OF DIRECTORS

- 139) The Directors or any committee of Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit and determine the quorum necessary for the transaction of business. Unless otherwise determined, a majority of the Directors for the time being appointed to the Board of Directors shall be a quorum. Subject to the provisions of these Articles, questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote Provided Always That the Chairman of a meeting at which only two Directors are present and form the quorum or only two Directors are competent to vote on the question at issue, or otherwise, shall not have a second or casting vote. A meeting of the Directors at which a quorum is present at the time the meeting proceeds to business shall be competent to exercise all the powers and discretions for the time being exercisable by the Directors.
- Meetings of Directors and quorum
- 140) A Director may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Directors by notice served upon the several members of the Board, but it shall not be necessary to give written notice of a meeting of Directors to any Director for the time being absent from Singapore unless he has previously notified the Company of his current address to which notice may be served by any form of electronic communication or telegraphic communication or other means approved by the Directors for such purpose. A Director may also waive notice of any meeting and such waiver may be retrospective.
- Convening meetings
- 141) The accidental omission to give any Director, or the non-receipt by any Director of, a notice of meeting of Directors shall not invalidate the proceedings at that meeting.
- Accidental omission
- 142) The Directors or any committee of Directors may from time to time elect a Chairman and, if desired, a Deputy Chairman who shall preside at their meetings, but if no such Chairman or Deputy Chairman be elected or if at any meeting the Chairman and the Deputy Chairman not be present within five (5) minutes after the time appointed for holding the same, a substitute for that meeting shall be appointed by such meeting from among the Directors present. Any Director acting as Chairman of a meeting of the Directors shall, in the case of an equality of votes, have the Chairman's right to a second or casting vote where applicable.
- Chairman
- 143) The Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to these Articles, the continuing Directors or Director may, except in an emergency, act for a quorum, but for no other purpose, except in an emergency. If there are no Directors or Director able or willing to act, then any two Members may summon a general meeting for the purpose of appointing Directors.
- Proceeding in case of vacancies
- 144) A resolution in writing signed or approved by a majority of the Directors or their alternates for the time being (who are not prohibited by law or these Articles from voting on such resolutions) and constituting a quorum shall be as valid and effectual as if it had been passed at a meeting of the Directors or of a committee of Directors duly convened and held. Any such resolution may be contained in a single document or may consist of several documents all in like form each signed or approved as aforesaid provided that where a Director is not so present but has an alternate who is so present, then such
- Resolutions in writing

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## APPENDIX 2: NEWCO ARTICLES

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resolution must also be signed by such alternate. A resolution pursuant to this Article shall be deemed to have been passed on the date when the resolution is signed or approved by the last Director constituting a simple majority of the Directors. For the purpose of this Article, 'in writing' and 'signed' include approval by letter, telex, facsimile, cable, telegram, email or any other form of electronic communication or telegraphic communication or means approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and / or identification procedures and devices approved by the Directors. All such resolutions shall be described as "Directors' Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's Minute Book.

- 145) The meetings of Directors may be conducted by means of telephone or video conference or other methods of simultaneous communication by electronic, telegraphic or other similar means by which all persons participating in the meeting are able to hear and be heard and, if applicable, see and be seen by all the other participants without the need for physical presence, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. The minutes of such a meeting signed by the Chairman of the meeting shall be conclusive evidence of any resolution of any meeting so conducted. Such a meeting shall be deemed to take place where the largest group of Directors present for purposes of the meeting is assembled or, if there is no such group, where the Chairman of the meeting is present.
- 146) The Directors participating in any such meeting shall be counted in the quorum for such meeting and, subject to there being a requisite quorum under these Articles, all resolutions agreed by the Directors in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held.
- 147) In the case of a meeting which is not held in person, the fact that a Director is taking part in the meeting must be made known to all the other Directors taking part, and no Director may disconnect or cease to take part in the meeting unless he makes known to all other Directors taking part that he is ceasing to take part in the meeting.
- 148) The Directors shall cause proper minutes to be made in books to be provided for the purpose of recording all the proceedings of all meetings of Directors and committees of Directors and of the attendances thereat and of the proceedings of all meetings of the Company and all business transacted, resolutions passed, appointments of officers made by the Directors and orders made at such meetings and any such minutes of any meeting, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting of the Company or Directors or committee as the case may be, shall be sufficient evidence without any further proof of the facts therein stated.
- 149) The Directors shall duly comply with the provisions of the Act and in particular the provisions with regard to the registration of charges created by or affecting property of the Company, the keeping of a Register of Directors and Secretaries, a Register of Members, a Register of Mortgages and Charges and a Register of Directors' Share and Debenture Holdings, and the production and furnishing of copies of such Registers and of any Register of Holders of Debentures of the Company.

Meetings via  
electronic means

Directors  
participating in  
electronic meetings  
counted towards  
quorum

Participation of  
Director must be  
made known

Minutes

Keeping of  
Registers, etc.

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## APPENDIX 2: NEWCO ARTICLES

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- 150) Any register, index, minute book, book of accounts or other book required by these Articles or by the Act to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating discovery. Form of Registers, etc.
- 151) Subject to the Act and to the generality of Article 144, any resolution passed by the Directors notice whereof has been given to the Members in the manner in which notices are herein directed to be given and which has within one (1) month after it was so passed is ratified and confirmed in writing by Members entitled to threefourths of the votes shall be as valid and effective as a resolution of the Company in a general meeting but this Article shall not apply to a resolution for winding up the Company or to a resolution passed in respect of any matter which by the Act or these presents ought to be dealt with by a Special Resolution. Resolutions of Directors requiring ratification by Members

### SECRETARY

- 152) The Secretary or joint Secretaries shall, and a Deputy or Assistant Secretaries may, be appointed by the Directors for such term at such remuneration and upon such conditions as they may think fit; and any Secretary, joint Secretary, Deputy or Assistant Secretary so appointed may be removed by them, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company. The appointment and duties of the Secretary shall not conflict with the provisions of the Act. Appointment and removal of Secretary
- 153) A provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting as Director and as or in place of the Secretary. Only Director and Secretary can act
- 154) A provision of the Act or these Articles requiring or authorising a thing to be done by or to the Secretary shall be satisfied by its being done by or to one or more of the joint Secretaries if any for the time being appointed by the Directors. Joint Secretaries

### THE SEAL

- 155) The Directors shall provide for the safe custody of the Seal which shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf; and every instrument to which the Seal shall be affixed shall be signed by one (1) Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose. Use of Seal
- 156) The Company may exercise all the powers conferred by Section 41 of the Act to have an official seal for use abroad and such official seal shall be affixed by the authority and in the presence of and the instruments sealed therewith shall be signed by such persons as the Directors shall from time to time by writing under the seal appoint. Official Seal overseas
- 157) The Company may have a duplicate common seal as referred to in Section 124 of the Act which shall be a facsimile of the common seal with the addition on its face of the words 'Share Seal'. Share Seal

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## APPENDIX 2: NEWCO ARTICLES

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### AUTHENTICATION OF DOCUMENTS

- 158) Any Director or the Secretary or any person appointed by the Directors for the purpose, shall have power to authenticate any documents affecting the constitution of the Company; any resolutions passed by the Company, the Directors or any committee; and any books, records, documents and accounts relating to the business of the Company. Such persons shall have the authority to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office, the local manager and other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. Any authentication or certification made pursuant to this Article may be made by any electronic means approved by the Directors from time to time for such purpose incorporating, if the Directors deem necessary, the use of security procedures or devices approved by the Directors.
- Power to authenticate documents
- 159) A document purporting to be a copy of a resolution or an extract from the minutes of a meeting, of the Company or of Directors or any committee, which is certified as such in accordance with the provisions of Article 158 shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of proceedings at a duly constituted meeting. Any authentication or certification made pursuant to Article 158 above and/or this Article may be made by any electronic means approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors.
- Certified copies of resolution of Directors

### DIVIDENDS AND RESERVES

- 160) Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted by the Act, (a) all dividends shall be declared and paid in proportion to the number of shares held by a Member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and (b) all dividends shall be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. For the purposes of this Article, no amount paid or credited as paid on a share in advance of a call shall be treated as paid on the share.
- Apportionment of dividends
- 161) The Directors may, from time to time, set aside out of the profits of the Company and carry to reserve, such sum or sums as they think proper which shall, at the discretion of the Directors, be applicable for meeting contingencies, for the gradual liquidation of any debt or liability of the Company, for repairing or maintaining any works connected with the business of the Company, for equalising dividends, for distribution by way of special dividend or bonus or for any other purpose to which the profits of the Company may properly be applied and pending such application, may either be employed in the business of the Company or be invested. The Directors may divide the reserve fund into such special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits which they may think prudent not to divide.
- Power to set aside profits as reserve

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## APPENDIX 2: NEWCO ARTICLES

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- 162) The Directors may, with the sanction of an Ordinary Resolution at a general meeting, from time to time declare dividends, but no such dividend shall (except as by the Statutes expressly authorised) be payable otherwise than out of the profits of the Company. No higher dividend shall be paid than is recommended by the Directors and a declaration by the Directors as to the amount of the profits at any time available for dividends shall be conclusive. The Directors may, if they think fit, and if in their opinion the profits of the Company justifies such payment, without any such sanction as aforesaid, from time to time declare and pay fixed preferential dividends on any class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and may also from time to time pay to the holders of any class of shares interim dividends of such amounts and on such dates as they may think fit.
- 163) With the sanction of an Ordinary Resolution at a general meeting, dividends may be paid wholly or in part in specie, and may be satisfied in whole or in part by the distribution amongst the Members in accordance with their rights of fully paid shares, stock or debentures of any other company, or of any other property suitable for distribution as aforesaid. The Directors shall have full liberty to make all such valuations, adjustments and arrangements, and to issue all such certificates or documents of title as in their opinion may be necessary or expedient. In particular, they may issue fractional certificates and fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any Members in terms of the value so fixed, in order to adjust the rights of all parties. The Directors may vest any such specific assets in trustees as may seem expedient to the Directors and no valuation, adjustment or arrangement so made shall be questioned by any Member.
- 164) (a) Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:
- (i) the basis of any such allotment shall be determined by the Directors;
  - (ii) the Directors shall determine the manner in which Members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid. The Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend(s) or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article;

Declaration  
and payment of  
dividends

Interim dividends

Payment of  
dividends in specie

Scrip Dividends

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## APPENDIX 2: NEWCO ARTICLES

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- (iii) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded, provided that the Directors may determine, either generally or in specific cases, that such right shall be exercisable in respect of the whole or any part of that portion; and
  - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect of which the share election has been duly exercised (the “elected ordinary shares”) and in lieu of cash and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid. For such purpose, and notwithstanding the provisions of Article 173, the Directors shall (A) capitalise and apply the amount standing to the credit of any of the Company’s reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sums as may be required to pay up in full (to the nominal value thereof) the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis, or (B) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.
- (b)
  - (i) The ordinary shares allotted pursuant to the provision of paragraph (a) of this Article shall rank *pari passu* in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.
  - (ii) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (a) of this Article, with full power to make such provisions as they may think fit in the case of fractional entitlements to shares (including, notwithstanding any provision to the contrary in these presents, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the Members).
- (c) The Directors may, on any occasion when they resolve as provided in paragraph (a) of this Article, determine that the rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit and, in such event, the provisions of this Article shall be read and construed subject to such determination.

Ranking of shares  
and other actions

Record date

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## APPENDIX 2: NEWCO ARTICLES

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| <p>(d) The Directors may, on any occasion when they resolve as provided in paragraph (a) of this Article, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to a Member whose registered addresses entered in the Register of Members (or as the case may be) the Depository Register is outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and, in such event, the only entitlements of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.</p>                     | Cash in lieu of shares                                |
| <p>(e) Notwithstanding the foregoing provisions of this Article, if at any time after the Directors' resolution to apply the provisions of paragraph (a) of this Article in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that, by reason of any event or circumstances (whether arising before or after such resolution) or by reason of any matter whatsoever, it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and as they deem fit in the interests of the Company, cancel the proposed application of paragraph (a) of this Article.</p> | Cancellation  |
| <p>165) No shareholder shall be entitled to receive any dividend or to be present or vote at any meeting or upon a poll, or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).</p>  | No right to dividends where calls outstanding         |
| <p>166) The Directors may deduct from any dividend or other moneys payable to a Member in respect of any share held by such Member, either alone or jointly with any other Member, any or all sums of money as may be due and payable by him, either alone or jointly with any other person in respect of any debts, liabilities or engagements to the Company on account of calls or otherwise towards satisfaction (in whole or in part) of such debts, liabilities or engagements, or any other account which the Company is required by law to deduct.</p>   | Deduction from debts due to Company                   |
| <p>167) A transfer of a share shall not pass the right to any dividend declared in respect thereof before the transfer has been registered.</p>  | Effect of transfer of shares                          |
| <p>168) The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.</p>  | Retention of dividends on shares subject to lien      |
| <p>169) The Directors may retain the dividends payable on shares in respect of which any person is under these Articles, as to the transmission of shares, entitled to become a Member, or which any person under these Articles is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.</p>   | Retention of dividends on shares pending transmission |
| <p>170) Any dividend or other moneys payable in cash in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto (or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such persons may in writing direct. Provided</p>  | Dividend paid by cheque or warrant                    |



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## APPENDIX 2: NEWCO ARTICLES

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that where the Member is a Depositor, the payment by the Company to the Depository of any dividend payable to a Depositor shall to the extent of the payment discharge the Company from any further liability in respect of the payment. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

- 171) The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company. However, the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six (6) years has elapsed from the date of the declaration of such dividend or the date on which such other moneys are first payable. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends, howsoever and whatsoever. Unclaimed dividends
- 172) No dividend shall bear interest as against the Company. No interest on dividends

### BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

- 173) The Company may, upon the recommendation of the Directors, with the sanction of an Ordinary Resolution (including any Ordinary Resolution passed pursuant to Article 67(c)):
- Power to capitalise profits
- (a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:
- (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
- (ii) (in the case of an Ordinary Resolution passed pursuant to Article 67(c)) such other date as may be determined by the Directors,
- in proportion to their then holdings of shares; and/or
- (b) capitalise any part of the amount for the time being standing to the credit of the Company's reserve funds or to the credit of the profit and loss account or otherwise available for distribution, to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:
- (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

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## APPENDIX 2: NEWCO ARTICLES

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- (ii) (in the case of an Ordinary Resolution passed pursuant to Article 67(c)) such other date as may be determined by the Directors),

in proportion to their then holdings of shares and applying such sum on their behalf in paying up unissued shares in full (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up and amongst them as bonus shares in the proportion aforesaid.

- 174) The Directors may do all acts and things necessary or expedient to give effect to any such bonus issue and/or capitalisation under Article 173, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for any such bonus issue and/or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all such Members.
- 175) In addition and without prejudice to the powers provided for by Article 174 above, the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in general meeting and on such terms as the Directors shall think fit.

Directors to give effect to bonus issues and/or capitalisation

Power to issue free shares and/or to capitalise reserves for employee share-based incentive plans

### ACCOUNTS

- 176) The Directors shall cause proper books of accounts and other records to be kept as are necessary to comply with the provisions of the Act and, in particular, with respect to:
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
- (b) all sales and purchases of goods by the Company; and
- (c) the assets and liabilities of the Company.
- Such books of account shall give a true and fair view of the state of the Company's affairs and explain its transactions.
- 177) The books of account shall be kept at the Office, or, subject to Section 199 of the Act, at such other place or places as the Directors think fit and shall always be open to inspection by the Directors.

Directors to keep proper accounts

True and fair value

Location of books of accounts

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## APPENDIX 2: NEWCO ARTICLES

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| 178) The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or ordered by a court of competent jurisdiction or authorised by the Directors or by a resolution of the Company in general meeting.  | Inspection                         |
| 179) The Directors shall from time to time in accordance with Section 201 of the Act cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary. The interval between the close of the Company's financial year and the date of the Company's annual general meeting shall not exceed 4 months (or such other period as may be prescribed from time to time by the Exchange, the provisions of the Act and/or any applicable law).  | Preparation and laying of accounts |
| 180) A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting together with a copy of the Auditor's report shall not less than fourteen (14) days before the date of the meeting be delivered or sent by post to every Member of and every holder of debentures of the Company and to every other person who is entitled to receive notice from the Company under the provisions of the Act or these Articles; Provided Always That this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures in the Company or the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. | Copies of accounts                 |
| 181) Such number of each document as is referred to in the preceding Article or such other number as may be required by the Exchange shall be forwarded to the Exchange at the same time as such documents are sent to the Members.   | Accounts to Exchange               |

### AUDIT AND AUDITORS

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| 182) Auditors of the Company shall be appointed and their duties regulated in accordance with the provisions of the Act.  | Regulation of Auditors                                |
| 183) Every auditor of the Company shall have a right of access at all times to the accounting and other records of the Company and shall make his report as required by the Act.  | Auditor's rights to documents                         |
| 184) Subject to the provisions of the Act, all acts done by any person acting as an auditor of the Company shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment.     | Acts of Auditors valid despite defect in appointment  |
| 185) The auditors of the Company shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting to which any Member is entitled and to be heard at any general meeting on any part of the business of the meeting which concerns them as auditors of the Company. | Auditor's right to receive notice and attend meetings |

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## APPENDIX 2: NEWCO ARTICLES

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### NOTICES

- 186) (a) Any notice may be given by the Company to any Member in any of the following ways: Service of notice
- (i) by delivering the notice personally to him; or
  - (ii) by sending it by prepaid mail to him at his registered address in Singapore or where such address is outside Singapore by prepaid airmail; or
  - (iii) by sending a cable or telex or telefax or electronic mail containing the text of the notice to him at his registered address in Singapore or where such address is outside Singapore to such address or to any other address as might have been previously notified by him to the Company.
- (b) Any notice or other communication served under any of the provisions of these Articles on or by the Company or any officer of the Company may be tested or verified by telex or telefax or electronic mail or telephone or such other manner as may be convenient in the circumstances but the Company and its officers are under no obligation so to test or verify any such notice or communication.
- For the purpose of this Article, “registered address” shall mean such registered address in the Register of Members or the Depository Register (as the case may be).
- 187) Without prejudice to the provisions of Article 186, any notice or document (including, without limitations, any accounts, balance-sheet or report) which is required or permitted to be given, sent or served under the Act or under these Articles by the Company, or by the Directors, to a Member or officer or Auditor of the Company may be given, sent or served using electronic communications to the current address of that person in accordance with the provisions of, or as otherwise provided by, the Act and/or any other applicable regulations or procedures. Such notice or document shall be deemed to have been duly given, sent or served upon transmission of the electronic communication to the current address of such person or as otherwise provided under the Act and/or any other applicable regulations or procedures. Service by electronic communications
- 188) All notices, communications and documents (including a share certificate) with respect to any share to which persons are jointly entitled, shall be given to whichever of such persons is named first in the Register of Members or the Depository Register (as the case may be), and notice so given shall be sufficient notice to all the holders of such shares. Service of notices to joint holders
- 189) Any Member described in the Register of Members or the Depository Register (as the case may be) by an address not within Singapore who shall from time to time give notice in writing to the Company or the Depository of an address within Singapore at which notices may be served upon him shall be entitled to have served upon him at such address any notice to which he would be entitled under these Articles but, save as aforesaid, no Member other than a Member with a registered address within Singapore shall be entitled to receive any notice from the Company. Service on overseas Members

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## APPENDIX 2: NEWCO ARTICLES

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| 190) Any summons, notice, order or other document required to be sent to or served upon the Company, or upon any officer of the Company may be sent or served by leaving the same or sending it through registered mail in a prepaid letter, addressed to the Company or to such officer at the Office.  | Service on Company  |
| 191) (a) Any notice shall be deemed to have been given at any of the following times as may be appropriate:<br><br>(i) when it is delivered personally to the Member, at the time when it is so delivered;<br><br>(ii) when it is sent by prepaid mail to an address in Singapore or by prepaid airmail to an address outside Singapore, on the day following that on which the notice was put into the post; and<br><br>(iii) when it is sent by cable or telex or telefax or electronic mail, on the day it is so sent.<br><br>(b) In proving such service or sending, it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post office or the post box as a prepaid letter or airmail letter as the case may be or that a telex or telefax or electronic mail was properly addressed and transmitted or that a cable was properly addressed and handed to the relevant authority for despatch. | When service effected   |
| 192) Any notice on behalf of the Company or of the Directors shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company, whether such signature is printed or written.  | Signature on notice   |
| 193) Every person who, by operation of law, transfer or any other means whatsoever, shall become entitled to any share shall be bound by every notice in respect of such share which, previously to his name and address being entered on the Register of Members, shall be duly given to the person from whom he derives his title to such share.   | Person becoming entitled to shares bound by notice            |
| 194) Any notice or document served upon or sent to, or left at the registered address of any Member or given, sent or served to any Member using electronic communications in pursuance of these Articles, shall, notwithstanding that such Member be then deceased or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any share held by such Member, whether held solely or jointly with other persons; until some other person be registered in his stead as the holder or joint holder of such share, and such service shall, for all purposes of these Articles, be deemed a sufficient service of such notice or document on his executors, administrators or assigns, and all persons (if any) jointly interested with him in such share.   | Service of notice after death or bankruptcy                   |
| 195) When a given number of days' notice or notice extending over any other period is required to be given the day of service shall not, unless it is otherwise provided or required by these Articles or by the Act, be counted in such number of days or period.   | Day of service not counted                                    |
| 196) The provisions of Articles 186, 191, 192 and 195 shall apply mutatis mutandis to notices of meetings of Directors or any committee of Directors.  | Notice of meetings of Directors or any committee of Directors |

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## APPENDIX 2: NEWCO ARTICLES

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### WINDING-UP / INSOLVENCY

- 197) If the Company shall be wound up, subject to due provision being made for satisfying the claims of any holders of shares having attached thereto any special rights in regard to the repayment of capital, the surplus assets shall be applied in repayment of the capital paid up or credited as paid up on the shares at the commencement of the winding up. Distribution of surplus assets
- 198) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company, whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members, but if any division is resolved otherwise than in accordance with such rights, the Members shall have the same right of dissent and consequential rights as if such resolution were a Special Resolution passed pursuant to Section 306 of the Act. A Special Resolution sanctioning a transfer or sale to another company duly passed pursuant to the said Section may in like manner authorise the distribution of any shares or other consideration receivable by the liquidator amongst the Members otherwise than in accordance with their existing rights; and any such determination shall be binding upon all the Members subject to the right of dissent and consequential rights conferred by the said Section. Distribution of assets in specie
- 199) The liquidator may, as he thinks fit, vest the whole or any part of the assets in trustees upon such trusts for the benefit of Members and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares or other securities in respect of which there is a liability. Trust of assets
- 200) In the event of a winding up of the Company, every Member who is not for the time being in Singapore shall be bound, within fourteen (14) days after the passing of an effective resolution to wind up the Company voluntarily, or within the like period after the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some householder in Singapore upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such Member to appoint some such person, and service upon any such appointee shall be deemed to be a good personal service on such Member for all purposes, and where the liquidator makes any such appointment he shall with all convenient speed, give notice thereof to such Member by advertisement in any English newspaper widely circulated in Singapore or by a registered letter sent through the post and addressed to such Member at his address as appearing in the Register of Members, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted. Service of notice

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## APPENDIX 2: NEWCO ARTICLES

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### INDEMNITY

- 201) Subject to the provisions of the Act, every Director, Chief Executive Officer, Manager, agent, auditor, Secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability by him in defending any proceedings whether civil or criminal which relates to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 391 of the Act in which relief is granted to him by the Court.

Indemnity of  
Directors and other  
officers

Without prejudice to the generality of the foregoing, no Director, Chief Executive Officer, Manager, agent, auditor, Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto unless the same shall happen through his own negligence, wilful default, breach of duty or breach of trust.

- 202) No Member shall be entitled to require discovery of or any information relating to any detail of the Company's trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the Members of the Company to communicate to the public save as may be authorised by law or required by the listing rules of the Exchange.

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## APPENDIX 3: RULES OF THE NEWCO ESOS

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### RULES OF THE STRATECH GROUP LIMITED EMPLOYEE SHARE OPTION SCHEME 2014

#### 1. DEFINITIONS

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

- “Act”** : The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
- “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 trustee of any trust of which he or his Immediate Family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Auditors”** : The auditors of the Company from time to time
- “Award”** : A contingent award of Shares granted pursuant to the rules of the Plan
- “Board”** : The board of directors of the Company
- “CDP”** : The Central Depository (Pte) Limited
- “Committee”** : A committee comprising Directors who are duly authorized and appointed by the Board pursuant to Rule 16 to administer the Option Scheme
- “Company”** : The Stratech Group Limited, a company incorporated in Singapore
- “Control”** : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company being controlled
- “Controlling Shareholder”** : A person who (a) holds directly or indirectly 15% or more of the total number of issued Shares excluding Treasury Shares in the Company (unless the SGX-ST determines otherwise); or (b) a person who in fact exercises control over the Company, as defined under the Listing Manual



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### APPENDIX 3: RULES OF THE NEWCO ESOS

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<b>“Date of Grant”</b>	:	The date on which an offer to grant an Option is made to a Participant pursuant to Rule 7
<b>“Director”</b>	:	A person appointed as a director, including non-executive director and independent director of the Company
<b>“Exercise Period”</b>	:	The period during which an Option is exercisable, being a period commencing after the first or second anniversary of the Date of Grant of the Option (as may be prescribed under the Option Scheme) and expiring on the tenth anniversary of the Date of Grant of the said Option
<b>“Exercise Price”</b>	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 9 of the Option Scheme, or such adjusted price as may be applicable pursuant to Rule 10
<b>“FY”</b>	:	Financial year ended, or as the case may be, ending 31 March
<b>“Grantee”</b>	:	A person to whom an offer of an Option is made
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“Group Employee”</b>	:	Any full-time confirmed employee of the Group (including any Group Executive Director and Group Non-Executive Director) selected by the Committee to participate in accordance with Rule 4
<b>“Group Executive Director”</b>	:	A director of the Company or any of its subsidiaries, as the case may be, who performs an executive function
<b>“Group Non-Executive Director”</b>	:	A director of the Company or any of its subsidiaries, as the case may be, other than a Group Executive Director
<b>“Immediate Family”</b>	:	A person’s spouse, child, adopted child, step-child, sibling and parent, or such other definition as the SGX-ST may from time to time require
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as may be amended or modified from time to time
<b>“Market Day”</b>	:	A day on which SGX-ST is open for securities trading
<b>“Market Price”</b>	:	The average of the last dealt prices for a Share determined by reference to the daily Official List published by the SGX-ST (or such other publication(s) as may be determined by the Committee) for a period of 3 consecutive Market Days immediately prior to the relevant Date of Grant, provided always that in the case of a Market Day on which the Shares of the Company were not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
<b>“New Shares”</b>	:	The new Shares which may be allotted and issued from time to time pursuant to the exercise of the Option(s)

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### APPENDIX 3: RULES OF THE NEWCO ESOS

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<b>“Option”</b>	:	The right to subscribe for Shares granted or to be granted to a Participant pursuant to the Option Scheme
<b>“Option Holder”</b>	:	The holder of an Option
<b>“Option Scheme”</b>	:	The Stratech Group Limited Employee Share Option Scheme 2014, as may be amended or modified from time to time
<b>“Option Shares”</b>	:	Shares obtained pursuant to an exercise of the Option(s)
<b>“Participant”</b>	:	Any director or confirmed executive of the Group selected by the Committee to participate in the Option Scheme in accordance with Rule 4
<b>“Plan”</b>	:	The Stratech Group Limited Performance Share Scheme 2014
<b>“Record Date”</b>	:	The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions
<b>“Scheme”</b>	:	The proposed restructuring of Stratech Systems Limited by way of a scheme of arrangement under Section 210 of the Act, which was approved by shareholders of Stratech Systems Limited and became effective in accordance with its terms on the effective date of the Scheme, pursuant to which the Company acquired all the existing issued ordinary shares in the capital of Stratech Systems Limited
<b>“Securities Account”</b>	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	:	Registered holders of Shares except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, in relation to such Shares and where the context admits, means the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company
<b>“Stratech ESOS 2000”</b>	:	Stratech Systems Limited’s employee share option scheme adopted at a general meeting of Stratech Systems Limited held on 14 July 2000
<b>“Stratech ESOS 2011”</b>	:	Stratech Systems Limited’s employee share option scheme adopted at a general meeting of Stratech Systems Limited held on 29 July 2011
<b>“Stratech PSS”</b>	:	Stratech Systems Limited’s performance share scheme adopted at a general meeting of Stratech Systems Limited held on 4 June 2007
<b>“Varied Options”</b>	:	Options which were varied in the implementation of the Scheme

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## APPENDIX 3: RULES OF THE NEWCO ESOS

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- “S\$” and “cents” : Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
- “%” or “per cent.” : Percentage or per centum

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

The term “**Treasury Shares**” shall have the meaning ascribed to it in Section 4 of the Act.

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

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

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

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

### 2. NAME OF OPTION SCHEME

The Option Scheme shall be called “The Stratech Group Limited Employee Share Option Scheme 2014”.

### 3. OBJECTIVES OF THE OPTION SCHEME

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

The Option Scheme is primarily a share incentive scheme, which recognises the importance of such Participants to the success and continued well-being of the Group. At the same time, such a scheme will give Participants an opportunity to have a direct interest in the Company and will also achieve the following positive objectives:

- (a) to motivate Participants to optimise their performance standards and efficiency, and to maintain a high level of contribution to the Group;
- (b) to retain key executives whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instill loyalty to, and reinforce a stronger identification by Participants with, the long-term success of the Group;
- (d) to attract potential executives with relevant skills to contribute to the Group and to create value for Shareholders; and
- (e) to align the interests of Participants with the interests of Shareholders.

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## APPENDIX 3: RULES OF THE NEWCO ESOS

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### 4. ELIGIBILITY OF PARTICIPANTS

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

- (a) Group Employees (including Group Executive Directors); and
- (b) Group Non-Executive Directors,

provided that, as of the Date of Grant, such persons have attained the age of eighteen (18) years, are not undischarged bankrupts and have not entered into any composition(s) with their respective creditors, and in the case of Group Employees, must have been in the employment of the Group for at least twelve (12) months, or such shorter period as the Committee may determine.

4.2 Subject to the absolute discretion of the Committee, the Controlling Shareholders and their Associates who meet the criteria as set out above are eligible to participate in the Option Scheme, provided that the participation of each Controlling Shareholder or his Associate and each grant of an Option to any of them may only be effected with the specific prior approval of independent Shareholders at a general meeting by a separate resolution. A separate resolution must be passed for each person and to approve the actual number and terms of Options to be granted to that person. The Company will, at such time, provide the rationale and justification for any proposal to grant the Controlling Shareholders or their Associates any Option(s) (including the rationale for any discount to the Market Price, if so proposed).

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

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

### 5. MAXIMUM ENTITLEMENT

5.1 Subject to Rule 4, Rule 6 and Rule 10, the aggregate number of Shares in respect of which Option(s) may be offered to a Grantee for subscription in accordance with the Option Scheme shall be determined at the absolute discretion of the Committee.

5.2 In reaching its decisions, the Committee shall take into account, where applicable, criteria such as position held, past performance, length of service, contribution to the success of the Grantee and development of the Group, potential for future development and prevailing market and economic conditions.

### 6. LIMITATION ON SIZE OF THE OPTION SCHEME

6.1 The aggregate number of Shares over which Options may be granted on any date under the Option Scheme, taking into consideration (a) the number of Shares issued or issuable and/or transferred or transferable in respect of all Options granted under the Option Scheme and any other share schemes of the Company (including the Stratech ESOS 2011, Stratech PSS and the Plan); (b) the number of ordinary shares in the capital of Stratech Systems Limited previously issued and/or transferred in respect of all exercised options granted under the Stratech ESOS 2011; and (c) the number of Shares issued or issuable and/or transferred or transferable in respect of all Varied Options (if any), shall not exceed 15% of the total issued Shares of the Company (excluding treasury shares) on the day immediately preceding that date.

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## APPENDIX 3: RULES OF THE NEWCO ESOS

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

### 7. DATE OF GRANT

7.1 The Committee may, save as provided in Rule 4, Rule 5 and Rule 6, offer to grant Option(s) to such Grantees as it may select in its absolute discretion at any time during the period when the Option Scheme is in force, except that no offer of grant of Option(s) shall be made during the period of 4 weeks immediately preceding the date of announcement of the Company's full-year and half-year financial results. In the event the Company is required to release announcements of its quarterly results, it shall observe the closed window period required pursuant to its internal code on dealings in the Company's securities. In addition, in the event that an announcement of any matter of an exceptional nature involving unpublished price sensitive information is made, offers to grant Option(s) may only be made on or after the second Market Day after such announcement has been released.

7.2 An offer to grant an Option shall be made by way of a letter (the "**Letter of Offer**") in the form or substantially in the form set out in Appendix A1, subject to such amendments as the Committee may determine from time to time.

### 8. ACCEPTANCE OF OFFER

8.1 An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within 30 days after the relevant Date of Grant and not later than 5.00 p.m. on the thirtieth (30th) day from such Date of Grant (a) by completing, signing and returning to the Company the form (the "**Acceptance Form**") in or substantially in the form set out in Appendix A2, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1 as consideration or such other amount and such other documentation as the Committee may require; and (b) if, at the date on which the Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the Option Scheme in accordance with these Rules.

8.2 If an offer of grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the 30-day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.

8.3 The Company shall be entitled to reject any purported acceptance of an offer of grant of an Option made pursuant to this Rule 8 or Exercise Notice given pursuant to Rule 12 which does not strictly comply with the terms of the Option Scheme.

8.4 Option(s) are personal to the Grantees and Option Holders to whom they are offered or granted as the case may be, and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee's prior written approval, but may be exercised by the Option Holder's duly appointed personal representative(s) as provided in Rule 11.7 in the event of the death of such Option Holder.

8.5 The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 1,000 Shares.

8.6 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Option Holder shall have no claim whatsoever against the Company.

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## **APPENDIX 3: RULES OF THE NEWCO ESOS**

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**8.7** Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:

- (a) it is not accepted in the manner as provided in Rule 8.1 within the 30 day period; or
- (b) the Grantee dies prior to his acceptance of the Option; or
- (c) the Grantee is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
- (d) the Grantee (being a Group Employee) ceases to be in the employment of the Company or its subsidiary for any reason whatsoever prior to his acceptance of the Option; or
- (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

### **9. EXERCISE PRICE**

**9.1** Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and fixed by the Committee at:

- (a) the Market Price; or
- (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20% of the Market Price and is approved by Shareholders at a general meeting in a separate resolution.

**9.2** Options granted at an Exercise Price which is at a discount to the Market Price may only be exercised after two (2) years from the Date of Grant. Options which are granted at Exercise Price which is equal to the Market Price may be exercised after one (1) year from the Date of Grant.

**9.3** In making any determination under Rule 9.1(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:

- (a) the performance of the Company and its subsidiaries, as the case may be, taking into account financial factors such as net profit after tax, return on equity and earnings growth;
- (b) the length of service, the designation and individual performance of the eligible Participant;
- (c) the contribution and potential contribution of the eligible Participant to the success and development of the Company and/or the Group; and
- (d) prevailing market conditions.

### **10. ALTERATION OF CAPITAL**

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

- (a) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised; and/or
- (b) the number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or

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## APPENDIX 3: RULES OF THE NEWCO ESOS

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- (c) the number of Shares in respect of which additional Option(s) may be granted to Option Holders,

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

- 10.2** Notwithstanding the provisions of Rule 10.1 above, no such adjustment shall be made if as a result, the Option Holder receives a benefit that a Shareholder does not receive.
- 10.3** The issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Listing Manual, undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment under the provisions of this Rule 10.
- 10.4** The restriction on the number of Shares to be offered to a Grantee under Rule 5 above shall not apply to the number of additional Shares or Options over additional Shares issued by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.
- 10.5** Upon any adjustment required to be made, the Company shall notify each Option Holder (or is duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the number of Shares thereafter comprised in the Option so far as unexercised. Any adjustment shall take effect on the date stated as the effective date of such adjustment in the written notice to the Option Holder.

### **11. EXERCISE PERIOD**

- 11.1** Option(s) granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that such Market Price Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), at any time, by an Option Holder during the Exercise Period which shall commence after the first anniversary of the Date of Grant of the Option(s), failing which all unexercised Option(s) shall immediately lapse and become null and void and the Option Holder shall have no claim against the Company.
- 11.2** Option(s) granted with the Exercise Price set at a discount to Market Price shall only be exercisable, in whole or in part (provided that such discount to Market Price Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), at any time, by an Option Holder during the Exercise Period which shall commence after the second anniversary of the Date of Grant of the Option(s), failing which all unexercised Option(s) shall immediately lapse and become null and void and the Option Holder shall have no claim against the Company.
- 11.3** An Option shall, to the extent unexercised (including any Option which is then not yet exercisable), immediately lapse and become null and void (unless the Committee shall in its absolute discretion permits the Option Holder to exercise any of the unexercised Option within such period(s) as the Committee shall determine) and the Option Holder shall have no claim against the Company:
- (a) subject to this Rule 11, when the Option Holder ceases to be a Group Employee of the Company or its subsidiary for any reason whatsoever;
  - (b) upon the bankruptcy of the Option Holder or the happening of any other event which result in his being deprived of the legal or beneficial ownership of such Option; or

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- (c) in the event of misconduct on the part of the Option Holder, as determined by the Committee in its absolute discretion.
- (d) in the event that the Committee shall, at its discretion, deem it appropriate that such Option granted to the Option Holder shall so lapse on the grounds that any objectives of the Scheme 2011 (set out in Rule 3) have not been met.

For the above purpose, the Option Holder shall be deemed to have ceased to be so employed as of the date of expiry of the notice of termination of employment or resignation tendered by or is given to him (as the case may be), unless such notice shall be withdrawn prior to its effective date or unless as determined by the Committee.

**11.4** If an Option Holder ceases to be employed by the Company or its subsidiary by reason of his:

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
- (b) redundancy;
- (c) retirement at or after the legal retirement age;
- (d) retirement before the legal retirement age with the consent of the Committee; or
- (e) for any other reason approved in writing by the Committee,

he may, at the absolute discretion of the Committee exercise any unexercised Option(s) within the period of 6 months (or such other period as shall be determined in the absolute discretion of the Committee) after the date of such cessation of employment or within the relevant Exercise Period, whichever is earlier, and upon the expiry of such period, the Option(s) remaining unexercised shall immediately lapse and become null and void.

**11.5** If an Option Holder ceases to be employed by a subsidiary:

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

he may, at the absolute discretion of the Committee, exercise any unexercised Option(s) within the period of 6 months (or such other period as shall be determined in the absolute discretion of the Committee) after the date of such cessation of employment or within the relevant Exercise Period, whichever is earlier, and upon the expiry of such period, the Option(s) remaining unexercised shall immediately lapse and become null and void.

**11.6** For the purposes of Rule 11.4 and Rule 11.5, an Option Holder shall be deemed to have ceased to be so employed as of the date of expiry the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

**11.7** If an Option Holder dies and at the date of his death holds any unexercised Option(s), such Option(s) may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representative(s) of the Option Holder within the period of 12 months (or such other period as shall be determined in the absolute discretion of the Committee) after his death or within the relevant Exercise Period, whichever is earlier, and upon the expiry of such period, the Option(s) remaining unexercised shall immediately lapse and become null and void.



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### 12. EXERCISE OF OPTION(S), ALLOTMENT AND LISTING OF SHARES

**12.1** An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by an Option Holder giving notice in writing to the Company in or substantially in the form set out in Appendix A3 (the “**Exercise Notice**”), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cash, cheque, cashier’s order, bank draft or postal order made out in favour of the Company.

**12.2** An Option shall be deemed to be exercised upon the receipt by the Company of the said Exercise Notice duly completed and signed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option and any other documentation the Committee may require, subject to such modification as the Committee may from time to time determine.

**12.3** Subject to:

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

the Company shall, as soon as practicable after the exercise of an Option by an Option Holder but in any event within 10 Market Days after the date of the exercise of the Option in accordance with Rule 12.1, allot the Shares in respect of which such Option has been exercised by the Option Holder and within 5 Market Days from the date of such allotment, despatch the relevant share certificate(s) to CDP for the credit of the securities account of that Option Holder by ordinary post or such other mode of delivery as the Committee may deem fit in its absolute discretion.

**12.4** The Company shall as soon as practicable after such allotment in accordance with Rule 12.2, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Option Holder pursuant to any adjustment made in accordance with Rule 10.

**12.5** Shares which are allotted on the exercise of an Option by an Option Holder shall be issued, as the Option Holder may elect, in the name of CDP to the credit of the securities account of the Option Holder maintained with CDP, or to the Option Holder’s securities sub-account with a CDP Depository Agent or if such securities account is not available, in the name of the Account Holder.

**12.6** Shares allotted and issued upon the exercise of an Option shall be subject to all provisions of the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights (including voting rights), allotments or other distributions, the Record Date for which falls prior to the date of issue or transfer (as the case may be) of the said Shares.

**12.7** Except as set out in Rule 12.3 and subject to Rule 10, an Option does not confer on an Option Holder any right to participate in any new issue of Shares.

**12.8** The Company shall keep available sufficient un-issued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

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## **APPENDIX 3: RULES OF THE NEWCO ESOS**

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### **13. ALTERATIONS AND AMENDMENTS TO THE OPTION SCHEME**

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

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

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

**13.2** Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without any other formality save for the prior approval of the SGX-ST) amend or alter the Option Scheme in any way to the extent necessary to cause the Option Scheme to comply with any statutory provision or the provisions or regulations of any regulatory or other relevant authority or body (including the SGX-ST).

**13.3** Written notice of any modification or alteration made to the Option Scheme in accordance with this Rule shall be given to all Option Holders.

### **14. DURATION OF THE OPTION SCHEME**

**14.1** The Option Scheme shall continue to be in force at the discretion of the Committee until 28 July 2021 (being the maximum term under the Stratech ESOS 2011). Subject to compliance with any applicable laws and regulations in Singapore, the Option Scheme may be continued beyond the above stipulated period with the approval of Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

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

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

### **15. TAKE-OVER AND WINDING UP OF THE COMPANY**

**15.1** Notwithstanding Rule 11 but subject to Rule 15.5, in the event of a take-over offer being made for the Company, an Option Holder shall be entitled to exercise any Option(s) held by him and as yet unexercised (including any Option(s) which is/are then not yet exercisable), in respect of such number of Shares comprised in that Option(s) in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

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- (a) the expiry of 6 months thereafter, unless prior to the expiry of such 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 expiry of the Exercise Period relating thereto); or
- (b) the date of expiry of the Exercise Period relating thereto,

whereupon the Option(s) then remaining unexercised shall lapse and become null and void.

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 Option Holder that it intends to exercise such rights on a specified date, the Option(s) shall remain exercisable by the Option Holder until the expiry of such specified date or the expiry of the Exercise Period relating thereto, whichever is earlier. Any Option(s) not so exercised shall lapse provided that the rights of acquisition or obligations to acquire shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Option(s) shall, notwithstanding Rule 11, remain exercisable until the expiry of the Exercise Period relating thereto. For the avoidance of doubt, the provisions of this Rule 15.1 shall not come into operation in the event that a take-over offer which is conditional does not become or is not declared unconditional.

- 15.2** If under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or if under the Act, the Registrar of Companies issues a notice of amalgamation for the purposes of, or in connection with the amalgamation of the Company with another company or companies, each Option Holder shall be entitled, notwithstanding Rule 11 but subject to Rule 15.5, to exercise any Option(s) then held by him and as yet unexercised (including any Option(s) which is/are then not yet exercisable), during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court or the date on which the notice of amalgamation is issued by the Registrar of Companies, as the case may be, and ending either on the expiry of 60 days thereafter or the date upon which the compromise, arrangement or amalgamation, as the case may be, becomes effective, whichever is later (but not after the expiry of the Exercise Period relating thereto), whereupon the Option(s) then remaining unexercised shall lapse and become null and void.
- 15.3** If an order is made or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Option(s), to the extent unexercised, shall automatically lapse and become null and void.
- 15.4** In the event a notice is given by the Company to its members to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date or as soon as practicable after it despatches such notice to each member of the Company give notice thereof to all Option Holders (together with a notice of the existence of the provision of this Rule 15.4) and thereupon, each Option Holder (or his personal representatives) shall be entitled to exercise all or any of his Option(s) held by him and as yet unexercised (including any Option(s) which is/are then not yet exercisable) at any time not later than 2 business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the aggregate Exercise Price whereupon the Company shall as soon as possible and in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Option Holder credited as fully paid.
- 15.5** If in connection with the making of a general offer referred to in Rule 15.1 or the scheme referred to in Rule 15.2 or the winding-up referred to in Rule 15.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Option Holders, whether by the continuation of their Option(s) or the payment of cash or the grant of other Option(s) or otherwise, notwithstanding the provisions of this Rule 15, an Option Holder holding an Option, as yet unexercised, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.

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## **APPENDIX 3: RULES OF THE NEWCO ESOS**

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**15.6** To the extent that an Option is not exercised within the periods referred to in this Rule 15, it shall automatically lapse and become null and void.

### **16. ADMINISTRATION OF THE OPTION SCHEME**

**16.1** The Option Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board.

**16.2** The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Option Scheme and in compliance with the relevant listing rules) for the implementation and administration of the Option Scheme as it thinks fit.

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

**16.4** A Director who is a member of the Committee shall not be involved in its deliberation or decision in respect of Option(s) to be granted to him pursuant to the Option Scheme or any matter relating to the Option Scheme in which such member is interested.

**16.5** All actions of the Committee with respect to the interpretation and/or administration of the Option Scheme shall be by the affirmative vote of the majority of the members or by way of a written instrument signed by a majority of the members of the Committee. In the latter case, the decision or action so taken shall be as effective as if they had been taken by a vote of the majority of the members of the Committee at a meeting duly called and held.

### **17. NOTICES**

**17.1** Any notice given by an Option Holder to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Option Holder in writing.

**17.2** Any notice or documents given by the Company to an Option Holder shall be sent to the Option Holder by hand or sent by post or delivered to him at his home address stated in the records of the Company or the last known address of the Option Holder, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

### **18. TERMS OF EMPLOYMENT UNAFFECTED**

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

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

### **19. TAXES**

All taxes (including income tax) arising from the exercise of any Option(s) granted to any Option Holder under the Option Scheme and/or the sale of any Option Shares shall be borne by the Option Holder.

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## **APPENDIX 3: RULES OF THE NEWCO ESOS**

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### **20. COSTS AND EXPENSES OF THE OPTION SCHEME**

Save for the taxes referred to in Rule 19, all fees, costs and expenses incurred by the Company in relation to the Option Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of Option Shares pursuant to the exercise of any Option shall be borne by the Company.

### **21. DISCLAIMER OF LIABILITY**

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

### **22. DISPUTES**

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

### **23. CONDITION OF OPTION**

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

### **24. GOVERNING LAW**

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

### **25. DISCLOSURES**

**25.1** In accordance with the Listing Manual, the Company shall, on any grant of Option(s) make an announcement providing details of the grant, including the date of grant, exercise price of Option(s) granted, number of Option(s) granted, market price of its securities on the date of grant, number of Option(s) granted to Directors and validity period of the Option(s).

**25.2** The Company shall make the following disclosures in its annual report:

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

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### APPENDIX 3: RULES OF THE NEWCO ESOS

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

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

- (c) the number and proportion of Option(s) granted at the following discounts to the Market Price of the Shares in the FY under review:
- (i) Option(s) granted at a discount of 10% or less; and
  - (ii) Option(s) granted at above 10% but not more than 20% discount.

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## APPENDIX 3: RULES OF THE NEWCO ESOS

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### APPENDIX A1 — LETTER OF OFFER

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

#### PRIVATE AND CONFIDENTIAL

Date:

To: Name  
Designation  
Address

Dear Sir/Madam

#### THE STRATECH GROUP LIMITED EMPLOYEE SHARE OPTION SCHEME 2014

We are pleased to inform you that you have been nominated by the Committee of the Board of Directors of The Stratech Group Limited (the “**Company**”) to participate in The Stratech Group Limited Employee Share Option Scheme 2014 (the “**Option Scheme**”). Terms as defined in the Option Scheme shall have the same meaning when used in this letter.

Accordingly, an offer is hereby made to grant you an Option, in consideration of the payment of a sum of S\$1, to subscribe for and be allotted \_\_\_\_\_ Shares at the price of S\$\_\_\_\_\_ for each Share. The Option shall be subject to the terms of this Letter of Offer and the Option Scheme (as the same may be amended or modified from time to time pursuant to the terms and conditions of the Option Scheme), a copy of which is enclosed herewith.

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

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

Yours faithfully  
For and on behalf of  
The Stratech Group Limited

Name:  
Designation:

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## APPENDIX 3: RULES OF THE NEWCO ESOS

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### APPENDIX A2 — ACCEPTANCE FORM

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

To: The Committee  
The Stratech Group Limited Employee Share Option Scheme 2014  
The Stratech Group Limited  
31 International Business Park  
#02-02 Creative Resource  
Singapore 609921

Closing Time and Date for Acceptance of Option :	_____
No. of Shares Offered :	_____
Exercise Price for each Share : S\$	_____
Total Amount Payable on Acceptance of Option : S\$	_____

I have read your Letter of Offer dated \_\_\_\_\_ and agree to be bound by the terms of the Letter of Offer and The Stratech Group Limited Employee Share Option Scheme 2014 referred to therein.

I hereby accept the Option to subscribe for \_\_\_\_\_ Shares at S\$\_\_\_\_\_ for each Share and enclose cash for S\$1.00 being payment for the acceptance of the Option.

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

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

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

I confirm that as at the date hereof:

- (a) I am not less than 18 years old nor an undischarged bankrupt nor have I entered into a composition with any of my creditors;
- (b) I satisfy the eligibility requirements to participate in the Option Scheme as defined in Rule 4 of the Option Scheme; and
- (c) I satisfy the other requirements to participate in the Option Scheme as set out in the Rules of the Option Scheme.

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

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



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## APPENDIX 3: RULES OF THE NEWCO ESOS

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### APPENDIX A2 — ACCEPTANCE FORM

**PLEASE PRINT IN BLOCK LETTERS**

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

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

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

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

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

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

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

\* Delete as appropriate

**Notes:**

1. This Acceptance Form must be addressed to The Committee, The Stratech Group Limited Employee Share Option Scheme 2014 in a sealed envelope marked "Private and Confidential".
2. The Option Holder shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

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## APPENDIX 3: RULES OF THE NEWCO ESOS

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### APPENDIX A3 — EXERCISE NOTICE

#### PRIVATE AND CONFIDENTIAL

Total number of ordinary shares (the “ <b>Shares</b> ”) offered at S\$_____ for each Share (the “ <b>Exercise Price</b> ”) under the Option Scheme on _____ (the “ <b>Offer Date</b> ”) :	_____
Number of Shares previously allotted thereunder :	_____
Outstanding balance of Shares to be allotted thereunder :	_____
Number of Shares now to be subscribed :	_____

To: The Committee  
The Stratech Group Limited Employee Share Option Scheme 2014  
The Stratech Group Limited  
31 International Business Park  
#02-02 Creative Resource  
Singapore 609921

1. Pursuant to your Letter of Offer dated \_\_\_\_\_ (the “**Date of Grant**”) and my acceptance thereof, I hereby exercise the Option to subscribe for the abovementioned Shares in The Stratech Group Limited (the “**Company**”) at S\$\_\_\_\_\_ for each Share.
  
2. I hereby request the Company to allot and issue to me the number of Shares specified in paragraph 1 in the name of The Central Depository (Pte) Limited (“**CDP**”) to the credit of my \*Securities Account with CDP/\*Securities Sub-Account with a CDP Depository Agent specified below and to deliver the share certificate(s) relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP (the “**CDP charges**”) and any stamp duties in respect thereof:  
  
\*(a) Direct Securities Account Number : \_\_\_\_\_  
  
\*(b) Securities Sub-Account Number : \_\_\_\_\_  
  
Name of CDP Depository Agent : \_\_\_\_\_
  
3. I enclose cheque/cashier’s order/bank draft/postal order no. \_\_\_\_\_ for S\$\_\_\_\_\_ in payment for the subscription of the total number of the said Shares and the CDP charges of S\$\_\_\_\_\_.
  
4. I agree to subscribe for the Shares subject to the terms of the Letter of Offer, The Stratech Group Limited Employee Share Option Scheme 2014 (as the same may be amended or modified pursuant to the terms thereof from time to time) and the Memorandum and Articles of Association of the Company.
  
5. I declare that I am subscribing for the Shares for myself and not as a nominee for any other person.

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## APPENDIX 3: RULES OF THE NEWCO ESOS

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### APPENDIX A3 — EXERCISE NOTICE

**PLEASE PRINT IN BLOCK LETTERS**

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

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

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

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

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

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

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

\* Delete as appropriate

**Notes:**

1. An Option may be exercised in whole or in part.
2. This Exercise Notice must be addressed to The Committee, The Stratech Group Limited Employee Share Option Scheme 2014 in a sealed envelope marked "Private and Confidential".

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## APPENDIX 4: RULES OF THE NEWCO PSS

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### RULES OF THE STRATECH GROUP LIMITED PERFORMANCE SHARE SCHEME 2014

#### 1. Name of the Scheme

The Scheme shall be called the “The Stratech Group Limited Performance Share Scheme 2014”.

#### 2. Definitions

2.1 In the Scheme, 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 Scheme is adopted by the Company in general meeting
“Awards”	:	The contingent award of Shares under the Scheme
“Auditors”	:	The auditors for the time being of the Company
“Board”	:	The board of directors of the Company for the time being
“CDP”	:	The Central Depository (Pte) Limited
“Commencement Date”	:	The date for the commencement of the Scheme
“Committee”	:	The remuneration committee comprising directors of the Company, duly authorised, appointed and nominated by the Board pursuant to the Rules to administer the Scheme
“Company”	:	The Stratech Group Limited, a company incorporated in Singapore
“CPF”	:	The Central Provident Fund
“Executive Directors”	:	The directors of the Company who performs executive functions
“Group”	:	The Company together with its subsidiaries
“Listing Manual”	:	The Listing Manual of the SGX-ST
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“New Shares”	:	The new Shares which may be issued and allotted from time to time pursuant to the vesting of the Awards granted under the Scheme
“Option Scheme”	:	The Stratech Group Limited Employee Share Option Scheme 2014, as may be amended or modified from time to time
“Participant”	:	A person who is selected by the Committee to participate in the Scheme in accordance with these provisions
“Performance Targets”	:	The performance targets prescribed by the Committee to be fulfilled by a Participant for any particular period under the Scheme

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## APPENDIX 4: RULES OF THE NEWCO PSS

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“Rules”	:	The rules of the Scheme, as the same may be amended from time to time
“Scheme”	:	The Stratech Group Limited Performance Share Scheme 2014, as modified or altered from time to time
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of the Shares or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register
“Shares”	:	Ordinary shares in the capital of the Company
“Stratech ESOS 2011”	:	Stratech Systems Limited’s employee share option scheme adopted at a general meeting of Stratech Systems Limited held on 29 July 2011
“Stratech PSS”	:	Stratech Systems Limited’s performance share scheme adopted at a general meeting of Stratech Systems Limited held on 4 June 2007
“%”	:	Percentage or per centum
“\$” or “S\$”	:	Singapore dollars

### 2.2 For the purposes of the Scheme:-

- (a) in relation to a Shareholder (including, where the context requires, the Company), “control” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company;
- (b) unless rebutted, a person who holds directly or indirectly, a shareholding of 15% or more of the Company’s issued share capital shall be presumed to be a Controlling Shareholder; and
- (c) in relation to a Controlling Shareholder, his “associate” shall have the meaning ascribed to it by the Singapore Exchange Securities Trading Limited Listing Manual 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).

2.3 The terms “Depositor” and “Depository Agent” shall have the meanings ascribed to them respectively by Section 130A of the Act.

2.4 Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act and used in these Rules shall have the meaning assigned to it under the Act.

2.5 Words importing the singular number shall include the plural number where the context admits and vice versa. Words importing the masculine gender shall include the feminine gender where the context admits.

2.6 Any reference to a time of day shall be a reference to Singapore time.

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

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## APPENDIX 4: RULES OF THE NEWCO PSS

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### 3. Objectives

The purpose of the Scheme is to provide an opportunity for employees, who have met the Performance Targets to be enumerated by an equity stake in the Company, instead of through cash performance bonuses.

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's strategies is to contain the remuneration of its employees which is a major component of the Group's operating costs.

The Scheme is formulated with those objectives in mind. It is hoped that through the Scheme, 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

- 4.1 Group executives (including Executive Director) (provided that such persons are not undischarged bankrupts at the relevant time) shall be eligible to participate in the Scheme at the absolute discretion of the Committee:-
- 4.2 Non-Executive Directors shall be eligible to participate in the Scheme, but Controlling Shareholders and their associates shall not be eligible.
- 4.3 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive Scheme implemented by the Company or any other company within the Group.
- 4.4 Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee.

### 5. Limitations under the Scheme

- 5.1 The aggregate number of Shares to be delivered pursuant to the vesting of the Awards on any date, taking into consideration (a) the number of Shares issued or issuable and/or transferred or transferable in respect of all Awards granted under the Scheme and any other share schemes of the Company (including the Stratech ESOS 2011, Stratech PSS and the Option Scheme); and (b) the number of ordinary shares in the capital of Stratech Systems Limited previously issued and/or transferred in respect of all share awards granted under the Stratech PSS, shall not exceed fifteen per cent.(15%) of the issued Shares (excluding treasury shares) of the Company on the date immediately preceding that date.
- 5.2 Awards may only be vested and consequently any Shares comprised in such Awards shall only be delivered upon the Committee being satisfied that the Participant has achieved the Performance Targets.

### 6. Date of Grant

The Committee may grant Awards at any time during the financial year of the Company, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Awards may only be vested and hence any Shares comprised in such Awards may only be delivered on or after the second Market Day from the date on which the aforesaid announcement is made.

### 7. Awards

- 7.1 Awards are personal to the Participant to whom it is given and shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of the Committee.

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## APPENDIX 4: RULES OF THE NEWCO PSS

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- 7.2 Once an Award is finalised by the Committee, the Committee shall send an Award letter to the Participant confirming the said Award. The said Award letter shall specify *inter alia*, the following:-
- (a) the Performance Target(s) for the Participant;
  - (b) the performance period during which the Performance Target(s) shall be satisfied;
  - (c) the date on which the Award shall be vested; and
  - (d) the date on which the Shares comprised in the Award shall be released to the Participant.

Performance Target(s) to be set shall take into account both the medium and long-term corporate objectives of the Group and the individual performance of each Participant and will be aimed at sustaining long-term growth. The Performance Target(s) could be based on criteria such as sales growth, growth in earnings and return on investment. In addition, the Participant's length of service with the Group, achievement of past performance targets, value-add to the Group's performance and development and overall enhancement to shareholders value, amongst others, will be taken into account.

### 8. Vesting of the Awards

- 8.1 Notwithstanding that a Participant may have met his Performance Targets, no Awards shall be made:-
- (a) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Award; or
  - (b) in the event of any misconduct on the part of the Participant as determined by the Committee in its discretion; or
  - (c) in the event that the Committee shall, at its discretion, deem it appropriate that such Award to be given to a Participant shall so lapse on the grounds that any of the objectives of the Scheme (as set out in Rule 3) have not been met.
- 8.2 A Participant shall be entitled to the New Shares under an Award so long as he has met the Performance Targets notwithstanding that he may have ceased to be employed by the Company after the fulfillment of such Performance Targets. For the purpose of this Rule 8.2, the Participant may cease to be so employed in any of the following events, namely:-
- (a) through ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
  - (b) redundancy;
  - (c) retirement at or after the legal retirement age;
  - (d) retirement before the legal retirement age with the consent of the Committee; or
  - (e) any other reason, the cessation of employment is approved by the Committee.

Save as provided and for the avoidance of doubt, the New Shares under an Award shall nevertheless be released to a Participant for as long as he has fulfilled his Performance Targets and notwithstanding a transfer of his employment within any company in the Group or any apportionment of Performance Targets within any company within the Group.

- 8.3 If a Participant has fulfilled his Performance Targets but dies before the New Shares under an Award are released, the New Shares under the Award shall in such circumstances be given to the personal representatives of the Participant.

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## APPENDIX 4: RULES OF THE NEWCO PSS

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### 9. Take-over and winding up of the Company

- 9.1 Notwithstanding Rule 8 but subject to Rule 9.5, in the event of a take-over being made for the Shares, a Participant shall be entitled to the New Shares under the Awards if he has met the Performance Targets which falls 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-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 date on which the Performance Targets are to be fulfilled); or
  - (b) the date of expiry of the period for which the Performance Targets 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 Companies Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Participant shall be obliged to fulfill such Performance Target until the expiry of such specified date or the expiry date of the Performance Target relating thereto, whichever is earlier, before the New Shares can be released to him.

- 9.2 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a Scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant who has fulfilled his Performance Target shall be entitled, notwithstanding Rule 9 but subject to Rule 9.5, to any New Shares under the Awards so determined by the Committee to be released to him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later.
- 9.3 If an order is made for the winding-up of the Company on the basis of its insolvency, all Awards, notwithstanding that New Shares may have not been released to the Participants shall be deemed or become null and void.
- 9.4 In the event of a members' voluntary winding-up (other than for amalgamation or reconstruction), the New Shares under the Awards shall be released to the Participant for so long as, in the absolute determination by the Committee, the Participant has met the Performance Targets prior to the date that the members' voluntary winding-up shall be deemed to have been commenced or effective in law.
- 9.5 If in connection with the making of a general offer referred to in Rule 9.1 or the Scheme referred to in Rule 9.2 or the winding-up referred to in Rule 9.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the payment of cash or by any other form of benefit, no Award shall be made in such circumstances.

### 10. Shares

- 10.1 Subject to 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 Scheme and the Memorandum and Articles of Association of the Company, the Company shall, within ten (10) Market Days after the vesting of an Award, allot the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit.
- 10.2 The Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares.



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## APPENDIX 4: RULES OF THE NEWCO PSS

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- 10.3 Shares which are the subject of an Award shall be issued in the name of CDP to the credit of the securities account of that Participant maintained with CDP, the securities sub-account maintained with a Depository Agent or the CPF investment account maintained with a CPF agent bank.
- 10.4 Shares issued and allotted upon the vesting of an Award shall be subject to all the provisions of the Memorandum and Articles of Association of the Company, and shall rank in full for all entitlements, excluding dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which falls on or before the relevant vesting date of the Award, and shall in all other respects rank *pari passu* with other existing Shares then in issue. "Record Date" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.
- 10.5 Holders of the Shares shall undertake to the Company that they will not sell, realise, dispose of or transfer any part of their shareholdings in the Company for a period of nine (9) months commencing on the date the Shares are allotted and issued to them upon the vesting of Awards.
- 10.6 The Company shall keep available sufficient unissued Shares to satisfy the delivery of the Shares pursuant to vesting of the Awards.

### 11. Variation of Capital

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

- (a) the nominal amount, class and/or number of Shares comprised in an Award; and/or
- (b) the nominal amount, class and/or number of Shares which may be granted under the Scheme,

shall be adjusted by the Committee to give each Participant the same proportion of the equity capital of the Company as that to which he was previously entitled and, in doing so, the Committee shall determine at its own discretion the manner in which such adjustment shall be made.

- 11.2 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; or
- (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force,

shall not normally be regarded as a circumstance requiring adjustment.

- 11.3 Notwithstanding the provisions of Rule 11.1:-

- (a) no such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive; and
- (b) any determination by the Committee as to whether to make any adjustment and if so, the manner in which such adjustment should be made, must (except in relation to a capitalisation issue) be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

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## APPENDIX 4: RULES OF THE NEWCO PSS

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11.4 Any increase in the issued share capital of the Company as a consequence of the delivery of Shares pursuant to the vesting of Awards from time to time by the Company or through any other share-based incentive Schemes implemented by the Company will also not be regarded as a circumstance requiring adjustment.

11.5 Upon any adjustment required to be made pursuant to this Rule 11, the Company shall notify the Participant (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 nominal value, class and/or number of Shares thereafter to be issued pursuant to the grant of an Award. Any adjustment shall take effect upon such written notification being given.

### **12. Administration of the Scheme**

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

12.2 The Committee shall have the power, from time to time, to make and vary such rules (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as they think fit including, but not limited to:-

- (a) imposing restrictions on the number of Awards that may be vested within each financial year;
- (b) amending Performance Targets if by so doing, it would be a fairer measure of performance for a Participant or for the Scheme as a whole.

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

### **13. Notices and Annual Report**

13.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses as may be notified by the Company to him in writing.

13.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address according to the records of the Company or at the last known address of the Participant and if sent by post, shall be deemed to have been given on the day following the date of posting.

13.3 The Company shall disclose the following in its annual report:-

- (a) the names of the members of the Committee administering the Scheme; and
- (b) the information required for the following Participants:-
  - (i) Names of the Participants;
  - (ii) An appropriate statement that none of the Controlling Shareholders and their associates had received Shares issued pursuant to the Scheme during the financial year under review;

## APPENDIX 4: RULES OF THE NEWCO PSS

- (iii) Executive Directors, other than those in (i) who received Shares pursuant to the vesting of the Awards granted under the Scheme which, in aggregate, represent five per cent. (5%) or more of the aggregate of the total number of New Shares available under the Scheme;
- (iv) In respect of each Participant who received Shares, the number of Shares issued to him during the financial year under review;
- (v) Total number of Shares under the Scheme:-

Name of Participant	Aggregate number of Shares comprised in Awards from commencement of Scheme to the end of financial year under review	Proportion of Shares comprised in Awards which have vested during financial year under review	Number of Shares comprised in Awards not released during financial year under review

- (c) such other information as may be required by the Listing Manual or the Companies Act.

### 14. Modifications to the Scheme

- 14.1 Any or all the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:-
- (a) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of Shareholder in general meeting; and
  - (b) no modification or alteration shall be made without due compliance with the Listing Manual and such other regulatory authorities as may be necessary.
- 14.2 The Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the rules or provisions of the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 14.3 Written notice of any modification or alteration made in accordance with this Rule 14 shall be given to all Participants.

### 15. Terms of employment unaffected

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

### 16. Duration of the Scheme

- 16.1 The Scheme shall continue to be in force at the discretion of the Committee until 3 June 2017 (being the maximum term under Stratech Systems Limited's performance share scheme adopted at a general meeting of Stratech Systems Limited held on 4 June 2007), provided always that the Scheme may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 16.2 The Scheme may be terminated at any time by the Committee or by resolution of the Company in general meeting subject to all relevant approvals which may be required and if the Scheme is so terminated, no further Awards shall be vested by the Company thereunder.

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## APPENDIX 4: RULES OF THE NEWCO PSS

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16.3 The termination of the Scheme shall not affect Awards which have been vested, whether such Shares have been delivered or not.

### 17. Taxes

All taxes (including income tax) arising from the grant and/or disposal of Shares pursuant to the Awards granted to any Participant under the Scheme shall be borne by that Participant.

### 18. Costs and expenses

18.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank (collectively, the "CDP Charges").

18.2 Save for the taxes referred to in Rule 17 and such other costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment, issue and/or delivery of Shares pursuant to the Awards shall be borne by the Company.

### 19. Disclaimer of liability

Notwithstanding any provisions herein contained, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing the Shares or applying for or procuring the listing of the New Shares on the SGX-ST in accordance with Rule 10.2.

### 20. Disputes

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

### 21. Condition of Awards

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

### 22. Governing law

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

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**APPENDIX 5: EXTRACTS OF RESOLUTIONS PASSED IN RESPECT OF  
THE NEWCO ESOS MANDATE, THE NEWCO PSS MANDATE, AND THE NEWCO  
SHARE ISSUE MANDATE**

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**A. NewCo ESOS Mandate - Extract of resolution passed by the Subscriber Shareholders for the authority to issue shares under the NewCo ESOS**

*“Subject to the Stratech Shareholders’ approval being obtained for the proposed adoption of the NewCo ESOS, the Proposed Options Variation and the ESOS Variation Agreements and the Scheme becoming effective:*

*That the Directors be and are hereby authorised to offer and grant options in accordance with the rules of the NewCo ESOS (including options over shares at a subscription price per share set at a discount to the market price of a share) and to allot and issue from time to time such number of NewCo Shares as may be required to be issued in the capital of the Company pursuant to the exercise of (a) the options (the **“Varied Options”**) granted under the [Stratech Systems Limited (**“Target”**)] ESOS which are to be varied pursuant to the Proposed Options Variation; and (b) the options granted under the NewCo ESOS provided always that the aggregate number of NewCo Shares over which the committee appointed by the board of Directors to administer the NewCo ESOS may grant options pursuant to the NewCo ESOS (**“NewCo Options”**) on any date, when added to (i) the number of NewCo Shares issued or issuable and/or transferred or transferable in respect of all NewCo Options granted under the NewCo ESOS and any other share schemes of NewCo (including the NewCo PSS); (ii) the number of ordinary shares in the capital of the Target previously issued and/or transferred in respect of all exercised Options granted under the Stratech ESOS 2011; and (iii) the number of NewCo Shares issued or issuable and/or transferred or transferable in respect of all Varied Options (if any), shall not exceed 15% of the issued NewCo Shares (excluding treasury shares) on the date immediately preceding the grant of a NewCo Option.”*

**B. NewCo PSS Mandate - Extract of resolution passed by the Subscriber Shareholders for the authority to issue shares under the NewCo PSS**

*“Subject to the Stratech Shareholders’ approval being obtained for the proposed adoption of the NewCo PSS and the proposed termination of the Stratech PSS and the Scheme becoming effective:*

*That the Directors be and are hereby authorised to offer and grant NewCo Awards in accordance with the rules of the NewCo PSS and to allot and issue from time to time such number of NewCo Shares as may be required to be issued in the capital of the Company pursuant to the vesting of the NewCo Awards provided always that the aggregate number of NewCo Shares over which the committee appointed by the board of Directors to administer the NewCo PSS may grant NewCo Awards on any date, when added to (i) the number of NewCo Shares issued or issuable and/or transferred or transferable in respect of all NewCo Awards (if any) granted under the NewCo PSS and any other share schemes of NewCo (including the NewCo ESOS); and (ii) the number of ordinary shares in the capital of the Target issued and/or transferred in respect of all share awards granted under the Stratech PSS, shall not exceed 15% of the issued NewCo Shares (excluding treasury shares) on the date immediately preceding the grant of a NewCo Award.”*

**C. NewCo Share Issue Mandate - Extract of resolution passed by the Subscriber Shareholders for the authority to issue shares and/or convertible instruments in the capital of NewCo**

*“(a) subject to the Stratech Shareholders’ approval being obtained for the Scheme, pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual (**“Listing Manual”**) of the Singapore Exchange Securities Trading Limited (**“SGX-ST”**), authority be and is hereby given to the Directors to:*

- (i) allot and issue NewCo Shares whether by way of rights, bonus or otherwise; and/or*
- (ii) make or grant offers, agreements or options (collectively, **“Instruments”**) that might or would require NewCo Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, or other instruments convertible into NewCo Shares,*

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**APPENDIX 5: EXTRACTS OF RESOLUTIONS PASSED IN RESPECT OF  
THE NEWCO ESOS MANDATE, THE NEWCO PSS MANDATE, AND THE NEWCO  
SHARE ISSUE MANDATE**

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*at any time upon the completion of the Proposed Restructuring pursuant to the Scheme and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and*

- (b) *(notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue NewCo Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,*

*provided that:*

- (i) *the aggregate number of NewCo Shares to be issued pursuant to this Resolution (including NewCo Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company immediately after completion of the Scheme, of which the aggregate number of NewCo Shares and convertible securities to be issued other than on a pro-rata basis to existing shareholders of the Company (including NewCo Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution shall not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company immediately after completion of the Scheme; and*
- (ii) *for the purpose of this Resolution and subject to such manner of calculation as may be prescribed or directed by the SGX-ST, “**the total number of issued shares (excluding treasury shares) in the capital of NewCo immediately after completion of the Scheme**” shall mean the total number of issued NewCo Shares (excluding treasury shares) immediately after the issuance of the new NewCo Shares as the Scheme consideration pursuant to the Scheme after deducting for such number of ordinary shares in the capital of the Target which may have been allotted and issued by the Target pursuant to the Target’s general share issue mandate approved at the last annual general meeting of the Target held on 31 July 2014 prior to the completion of the Scheme (if any) and after adjusting for:*
- (A) *new NewCo Shares arising from the conversion or exercise of any convertible securities which were in existence as at the date of the Target’s general share issue mandate;*
- (B) *new NewCo Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting which were in existence as at the date of the Target’s general share issue mandate and which the Company is party or subject to or which is otherwise binding on the Company immediately after completion of the Scheme, provided the options or awards are granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and*
- (C) *any subsequent bonus issue, consolidation or subdivision of NewCo Shares.*
- (iii) *in exercising the authority conferred by this Resolution, the Directors shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and*
- (iv) *(unless revoked or varied by the Company in a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.”*

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## APPENDIX 6: CONDITIONS PRECEDENT

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The Conditions Precedent set out in the Implementation Agreement dated 16 October 2014, entered into between the Company and NewCo relating to, *inter alia*, the Proposed Restructuring and the Scheme, are reproduced below:

“3.1 The Parties agree that the Scheme and the completion of the Acquisition is conditional upon the following occurring (or if applicable, waived) on or prior to 5.00 p.m. (Singapore time) on the Long-Stop Date:

(a) Regulatory Approvals

Prior to the first application to the Court for an order to convene the Court Meeting, the following Regulatory Approvals having been obtained, and not having been withdrawn or revoked on or before the Record Date:

- (i) confirmation from the SIC that the Code shall not apply to the Scheme;
- (ii) declaration from MAS that pursuant to Section 273(5) of the SFA that Subdivisions (2) and (3) of Division 1 of Part XIII of the SFA (other than Section 257 of the SFA) shall not apply to the offer of the Acquiror Shares made pursuant to the Scheme, for a period of six (6) months from the date of the declaration and subject to any conditions as may be imposed by MAS;
- (iii) confirmation from the SGX-ST that the provisions relating to new listing requirements and delisting requirements under Chapter 2 and Chapter 13 of the Listing Manual will not apply to the Acquisition and the Scheme; and
- (iv) the approval-in-principle from the SGX-ST for: (A) the Scheme; (B) the Scheme Document; and (C) the listing and quotation for all the Acquiror Shares;

(b) Authorisations

In addition to the approvals mentioned in Clause 3.1(a):

- (i) in relation to the Acquiror, all authorisations, consents, clearances, permissions and approvals as are necessary or required (for or in respect of the Acquisition and the implementation of the Scheme) by the Acquiror under any and all Applicable Laws from all Governmental Authorities; and
- (ii) in relation to the Company, all authorisations, consents, clearances, permissions and approvals as are necessary or required (for or in respect of the Acquisition and the implementation of the Scheme) by the Company under any and all Applicable Laws from all Governmental Authorities or third parties,

(collectively, the “**Authorisations**”) having been obtained prior to the Record Date, and not having been withdrawn or revoked (if applicable) on or before the Record Date and if any of such Authorisations is subject to any conditions or requires any actions or obligations to be taken or performed, all such actions having been duly taken or performed on or prior to the Record Date save where the failure to obtain any such Authorisation, the withdrawal or revocation of any such Authorisation, or the failure to meet any such condition or take any such action or perform any such obligation in relation to such Authorisation would not have a material effect on the Acquiror or any Group Company;

(c) Notification to EDB

Notification to EDB by Stratech Aerospace Pte. Ltd. of the change in shareholdings of the Group Company, Stratech Aerospace Pte. Ltd., pursuant to paragraph 7(b), Annex 2, of the letter dated 11 December 2012 and addressed to Stratech Aerospace Pte. Ltd. in relation to the grant of the International Headquarters Award to Stratech Aerospace Pte. Ltd.

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## APPENDIX 6: CONDITIONS PRECEDENT

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(d) Shareholders' Approval

*The approval of the Scheme by the Shareholders in compliance with the requirements of Section 210(3) of the Companies Act;*

(e) Court Order

*The grant of the Court Order by the Court and such Court Order having become final;*

(f) ACRA Lodgement

*The lodgement and registration of the Court Order with ACRA pursuant to Section 210(5) of the Companies Act;*

(g) Conversion into Public Company

*The conversion of the Acquiror into a public company limited by shares and the adoption by the Acquiror of new memorandum and articles of association in a form to be agreed between the Acquiror and the Company;*

(h) No Legal or Regulatory Restraint

*Between the date of this Agreement and up to the Record Date, no injunction or other order, legal or regulatory restraint, prohibition or condition preventing the consummation of the Acquisition or the implementation of the Scheme (or the proposed transactions relating to the Scheme) having been issued by any Governmental Authority or by any court of competent jurisdiction and remaining in effect as at the Record Date;*

(i) No Prescribed Occurrence

*Between the date of this Agreement and up to the Record Date, no Prescribed Occurrence:*

(i) *in relation to the Company (or where applicable, any other Group Company), save for the Permitted Events; or*

(ii) *in relation to the Acquiror,*

*as the case may be, having occurred, other than as required or contemplated by this Agreement;*

(j) No Termination

*This Agreement not having been terminated pursuant to Clause 6;*

(k) The Company Warranties and Covenants

(i) (A) *the Company Warranties that are qualified as to materiality being true and correct in all respects and not misleading in any respect; and*

(B) *the Company Warranties that are not qualified as to materiality being true and correct in all material respects and not misleading in any material respect,*

*in each case as of the date of this Agreement and as of the Record Date as if they had been made on and as of the Record Date, except to the extent that any such Company Warranty expressly relates to an earlier date (in which case as of such earlier date); and*

(ii) *the Company having, as of the Record Date, performed and complied in all material respects with all covenants and agreements contained in this Agreement which are required to be performed by or complied with by the Company, on or prior to the Record Date;*



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## APPENDIX 6: CONDITIONS PRECEDENT

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(l) The Acquiror Warranties and Covenants

(i) (A) *the Acquiror Warranties that are qualified as to materially being true and correct in all respects and not misleading in any respect; and*

(B) *the Acquiror Warranties that are not qualified as to materiality being true and correct in all material respects and not misleading in any material respect,*

*in each case as of the date of this Agreement and as of the Record Date as if they had been made on and as of the Record Date; and*

(ii) *the Acquiror having, as of the Record Date, performed and complied in all material respects with all covenants and agreements contained in this Agreement which are required to be performed by or complied with by the Acquiror, on or prior to the Record Date;*

(m) Irrevocable Undertakings

*Contemporaneously with the execution of this Agreement each of David K.M Chew and Leong Sook Ching (the "**Undertaking Shareholders**"), deliver to the Acquiror an irrevocable undertaking (the "**Irrevocable Undertakings**"), in the form satisfactory to the Acquiror to, inter alia, vote, or procure the voting of, Shares set out in their respective Irrevocable Undertakings in favour of the Scheme at the Court Meeting."*

The conditions set out in paragraphs (a), (b), (g), and (m) have been complied with.

In addition, the Scheme will only become fully effective and binding subject to and upon the satisfaction or waiver (as the case may be) of the above conditions and the lodgement with ACRA of the Court Order sanctioning the Scheme (or on such earlier date as the Court may determine and as may be specified in the Court Order sanctioning the Scheme). If any of the above conditions are not fulfilled or waived in accordance with the Scheme, the Scheme will not become effective.

Subject to the fulfilment or waiver of the above conditions, it is currently expected that such Court Order sanctioning the Scheme, if obtained, will be lodged, and that the Scheme will become effective, on or about 25 March 2015. If the Scheme is not or does not become effective on or before 31 May 2015 (or such later date as the Company and NewCo may agree in writing or the Court may allow), the Scheme will lapse and no party shall have any claim against the others under the Implementation Agreement save as provided therein.

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## APPENDIX 7: PRESCRIBED OCCURRENCES

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The Prescribed Occurrences set out in the Implementation Agreement are reproduced below:

“For the purpose of this Agreement, “**Prescribed Occurrences**”, in relation to the Acquiror or the Group, as the case may be, means any of the following:

- (1) Conversion of Shares: the Company converting all or any of its shares into a larger or smaller number of shares;
- (2) Share Buy-back: the Company entering into a share buy-back agreement or resolving to approve the terms of a share buy-back agreement under the Companies Act or the equivalent companies or securities legislation;
- (3) Alteration of Share Capital: the Company resolving to alter its share capital in any way;
- (4) Dividends and other Distributions: the Company declaring, making or paying any dividends or any other form of distribution to its shareholders without the prior written approval of the Acquiror;
- (5) Injunction: an injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Acquisition or any part thereof by the Acquiror or the Company;
- (6) Resolution for Winding Up: the Acquiror or any Group Company resolving that it be wound up;
- (7) Appointment of Liquidator and Judicial Manager: the appointment of a liquidator, provisional liquidator, judicial manager and/or provisional judicial manager of the Acquiror or any Group Company;
- (8) Order of Court for Winding Up: the making of an order by a court of competent jurisdiction for the winding up of the Acquiror or any Group Company;
- (9) Composition: the Acquiror or any Group Company entering into any arrangement or general assignment or composition for the benefit of its creditors generally;
- (10) Appointment of Receiver: the appointment of a receiver or a receiver and manager, in relation to the property or assets of the Acquiror or any Group Company;
- (11) Insolvency: the Acquiror or any Group Company becoming or being deemed by law or a court to be insolvent, or stops or suspends or defaults on, or threatens to stop or suspend or default on, payment of its debts;
- (12) Cessation of Business: the Acquiror or any Group Company ceases or threatens to cease for any reason to carry on business in its usual ordinary course; or
- (13) Analogous Event: any event occurs which, under the laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).”

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**THE SCHEME**

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**IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE**

Case No.: OS 1010/2014

In the matter of Section 210 of the Companies Act (Cap. 50)

And

In the matter of STRATECH SYSTEMS LIMITED

**STRATECH SYSTEMS LIMITED**  
(SINGAPORE UEN NO. 199608251Z)

...Applicant(s)

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## THE SCHEME

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### PRELIMINARY

In this Scheme, except to the extent that the context requires otherwise, the following expressions bear the following respective meanings, namely:

- “ACRA” : The Accounting and Corporate Regulatory Authority of Singapore
- “Announcement Date” : 16 October 2014, being the date of the announcement made by the Company on the SGXNET in relation to, *inter alia*, the Scheme
- “Awards” : Awards under the Stratech PSS
- “Books Closure Date” : A date and time (before the Effective Date) to be announced by the Company, at which time the share transfer books and the register of members of the Company will be closed to determine the entitlements of Shareholders in respect of the Scheme
- “CDP” : The Central Depository (Pte) Limited
- “Companies Act” : The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
- “Company” : Stratech Systems Limited, incorporated in Singapore on 19 November 1996, a public company limited by shares, whose shares are listed on the Main Board of the SGX-ST
- “Court” : The High Court of the Republic of Singapore
- “Court Order” : The order of the Court sanctioning the Scheme under Section 210 of the Companies Act
- “Document” : This Document dated 2 February 2015 despatched by the Company to its Shareholders and containing information on, *inter alia*, the Scheme
- “Effective Date” : The date on which the Scheme, if approved, becomes effective in accordance with its terms
- “Encumbrance” : Any mortgage, assignment of receivables, debenture, lien, hypothecation, charge, pledge, title retention, right to acquire, security interest, option, pre-emptive or other similar right, right of first refusal, restriction, third-party right or interest, any other encumbrance, condition or security interest whatsoever or any other type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect
- “Entitled Shareholders” : Shareholders who are registered as holders of Shares in the register of members of the Company and Depositors who have Shares entered against their names in the Depository Register on the Books Closure Date
- “Implementation Agreement” : The implementation agreement dated 16 October 2014, entered into between the Company and NewCo relating to, *inter alia*, the Scheme, as amended and varied by the supplemental letter dated 29 January 2015 between the Company and NewCo

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## THE SCHEME

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<b>“Latest Practicable Date”</b>	:	28 January 2015, being the latest practicable date prior to the printing of this Document
<b>“NewCo”</b>	:	The Stratech Group Limited, incorporated in Singapore on 9 October 2014, a public company limited by shares
<b>“NewCo 2”</b>	:	Stratech Pte. Ltd., incorporated in Singapore on 10 October 2014, a private company limited by shares
<b>“NewCo Shares”</b>	:	Ordinary shares in the share capital of NewCo
<b>“Options”</b>	:	The outstanding options under the Stratech ESOS 2000 and/or the Stratech ESOS 2011 as at the Latest Practicable Date
<b>“Options Exercise Cut Off Date”</b>	:	The date falling 10 Market Days prior to the Books Closure Date
<b>“Relevant Court Date”</b>	:	The first day on which the Court hears the application for an order under Section 210 of the Companies Act approving the Scheme or, if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned or appealed application is heard
<b>“Scheme”</b>	:	This scheme of arrangement in its present form or with or subject to any modification thereof or addition thereto in accordance with Clause 5 herein or condition(s) approved or imposed by the Court
<b>“Securities Account”</b>	:	Securities account maintained by a Depositor with CDP, but does not include a securities sub-account
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“SGXNET”</b>	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system network prescribed by the SGX-ST
<b>“Shareholders”</b>	:	Persons who are registered as holders of Shares in the register of members of the Company or who, being Depositors, have Shares entered against their names in the Depository Register
<b>“Shares”</b>	:	Ordinary shares in the share capital of the Company
<b>“Stratech ESOS 2000”</b>	:	The Company’s employee share option scheme adopted at a general meeting of the Company held on 14 July 2000
<b>“Stratech ESOS 2011”</b>	:	The Company’s employee share option scheme adopted at a general meeting of the Company held on 29 July 2011
<b>“Stratech PSS”</b>	:	The Company’s performance share scheme adopted at a general meeting of the Company held on 4 June 2007
<b>“Subscriber Shareholders”</b>	:	David Chew Khien Meow and Leong Sook Ching, the subscriber shareholders of NewCo, holding one (1) NewCo Share each as at the Latest Practicable Date. The Subscriber Shareholders are current substantial shareholders of the Company

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## THE SCHEME

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**“Subscriber Shareholders Undertakings”** : The irrevocable undertakings given by each of the Subscriber Shareholders to the Company and NewCo to, *inter alia*, vote in favour of the Scheme at any meeting of the Shareholders held to approve the Scheme and waive each of their rights to receive one (1) NewCo Share upon the issuance of the NewCo Shares to the Shareholders pursuant to the Scheme and any other matter necessary or proposed to implement the Scheme

**“%” or “per cent.”** : Percentage or per centum

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

The terms **“subsidiary”** and **“related corporation”** shall have the meanings ascribed to them in Sections 5 and 6 of the Companies Act respectively.

The term **“holder”**, in relation to any share, includes a person entitled to that share by transmission.

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.

A reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced.

Any reference to a time of day or date shall be a reference to Singapore time and date, as the case may be, unless otherwise stated.

### 1. RECITALS

- (a) The Company was incorporated in Singapore on 19 November 1996 and was listed on the Main Board of the SGX-ST on 24 July 2000.
- (b) The Company is principally engaged in the design, development, integration, implementation, maintenance and project management of information technology and advanced technology systems.
- (c) As at the Latest Practicable Date, the Company has (a) 1,567,183,371 Shares in issue; and (b) outstanding Options to subscribe for an aggregate of 695,000 Shares under the Stratech ESOS 2000 and 30,118,330 Shares (of which 14,493,330 outstanding Options are currently exercisable into Shares) under the Stratech ESOS 2011. If all the outstanding Options are fully exercised or vested, the total number of Shares in issue would be 1,597,996,701 Shares.
- (d) The primary purpose of this Scheme is the acquisition by NewCo of all the Shares to restructure the Company as an indirectly wholly-owned subsidiary of NewCo, through its wholly-owned subsidiary, NewCo 2. The Scheme will also be extended to all new Shares issued by the Company pursuant to the valid exercise of the Options on or prior to the Options Exercise Cut Off Date and the granting of the Awards.
- (e) The Company and NewCo have entered into the Implementation Agreement to set out their respective obligations with respect to the Scheme.

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## THE SCHEME

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### 2. CONDITIONS PRECEDENT

This Scheme is conditional upon:

- (a) each Condition Precedent set out in Clause 3.1 of the Implementation Agreement (reproduced in Appendix 6 (*Conditions Precedent*) of this Document) being satisfied or, subject to the terms of the Implementation Agreement, being waived; and
- (b) as at 8.00 a.m. on the Relevant Court Date, the Implementation Agreement not having been terminated.

### 3. TRANSFER OF SHARES

3.1 Pursuant to the Scheme, the Shares are to be transferred by the Shareholders to NewCo 2 (a) fully paid; (b) free from any Encumbrances; and (c) together with all rights, benefits and entitlements attaching thereto, including the right to receive and retain all rights and other distributions (if any) declared, paid or made by the Company on or after the date of the Announcement Date, save for any dividends that may be paid by the Company prior to the Books Closure Date.

3.2 Against the transfer of the Shares provided in Clause 3.1 of this Scheme:

- (a) in the case of Entitled Shareholders (being Depositors), the Company shall instruct CDP, for and on behalf of the Entitled Shareholders, to debit, not later than five (5) Business Days after the Effective Date, all the Shares standing to the credit of the Securities Account of such Entitled Shareholders and credit all of such Shares to the Securities Account of NewCo 2; and
- (b) in the case of Entitled Shareholders (not being Depositors), the Company shall authorise any person to execute or effect on behalf of all such Entitled Shareholders, an instrument or instruction of transfer of all the Shares held by such Entitled Shareholders, and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Shareholders.

### 4. ISSUE OF NEWCO SHARES

4.1 In consideration of the transfer of the Shares provided for in Clause 3.1, NewCo shall allot and issue one (1) new NewCo Share for every one (1) Share transferred by the Entitled Shareholders, save in respect of the Subscriber Shareholders who have given the Subscriber Shareholders Undertakings to the Company and NewCo to waive each of their rights to receive one (1) new NewCo Share each out of the total number of NewCo Shares to be issued to each of them pursuant to the Scheme.

The NewCo Shares shall (a) be credited as fully paid; (b) free from any Encumbrances; (c) rank *pari passu* in all respects with one another as well as with the two (2) existing issued NewCo Shares as of the Effective Date; and (d) have the same rights, benefits and entitlements attaching thereto as the two (2) existing issued NewCo Shares as of the Effective Date.

4.2 NewCo shall cause the share certificates for the NewCo Shares allotted and issued pursuant to the Scheme to be sent no later than 10 calendar days after the Effective Date to:

- (a) Entitled Shareholders (not being Depositors) by sending, at the risk of such Shareholders, the same by ordinary post addressed to such Shareholders at their respective addresses in the register of members of the Company on the Books Closure Date or, in the case of joint Shareholders, to the address of the first named Shareholder, and neither the Company nor NewCo shall be liable for any loss in transmission; and

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## THE SCHEME

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- (b) Entitled Shareholders (being Depositors) by sending the same to CDP. CDP shall send to such Shareholders, by ordinary post to the address as maintained with CDP and at the risk of such Shareholders, a statement showing the number of NewCo Shares credited to their respective Securities Accounts.

### 5. EFFECTIVE DATE

Subject to the conditions precedent set out in Clause 2 of this Scheme, this Scheme shall become effective upon a copy of the Court Order sanctioning this Scheme under Section 210 of the Companies Act being duly lodged with ACRA for registration.

The Company and NewCo may jointly consent, for and on behalf of all concerned, to any modification of, or amendment to, this Scheme or to any condition which the Court may think fit to approve or impose.

This Scheme shall be governed by, and construed in accordance with, the laws of Singapore, and the Company, NewCo, NewCo 2 and the Shareholders submit to the non-exclusive jurisdiction of the courts of Singapore. Save as provided for in this Scheme, a person who is not a party to this Scheme has no rights under the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore, to enforce any term or provision of this Scheme.

Dated this 2 February 2015

**Solicitor(s) for the Applicant(s)**



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## NOTICE OF COURT MEETING

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### IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Case No.: OS 1010/2014

In the matter of Section 210 of the Companies Act (Cap. 50)

And

In the matter of STRATECH SYSTEMS LIMITED

#### **STRATECH SYSTEMS LIMITED**

(SINGAPORE UEN NO. 199608251Z)

...Applicant(s)

### **NOTICE OF MEETING**

1. NOTICE is hereby given that by an Order of Court dated 25 November 2014 (“**Order**”) the Court has directed that Stratech Systems Limited (“**Company**”) do convene a meeting (“**Meeting**”) at Function Room 1, 31 International Business Park, Level 1, Creative Resource (Main Lobby), Singapore 609921 on 25 February 2015 at 3.30 p.m. of all the members of the Company for the purposes of considering and, if thought fit, approving (with or without modifications) the following resolution:  
  
*“That the Scheme dated 2 February 2015 proposed to be made pursuant to Section 210 of the Companies Act (Chapter 50 of Singapore), between (i) the Company, (ii) the Shareholders (as defined therein); and (iii) The Stratech Group Limited, a copy of which has been circulated with the Notice convening this Meeting, be and is hereby approved.”*
2. Enclosed herewith are copies of (a) the said Scheme; (b) the forms of proxy; and (c) Explanatory Statement.
3. The members may vote in person at the Meeting or they may appoint another person, whether a member or not, as a proxy to attend and vote in their stead.
4. Copies of the printed document of which this Notice forms part may be obtained on request at the registered office of the Company situated at 31 International Business Park #02-02 Creative Resource, Singapore 609921 or at the office of the Company’s share registrar, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758, during usual business hours on any day (other than a public holiday, Saturday or Sunday) prior to the day appointed for the Meeting.
5. The Company requests that forms appointing proxies be lodged at the Company’s share registrar’s office at 63 Cantonment Road, Singapore 089758, not less than 48 hours before the time appointed for the Meeting. If forms are not so lodged, they must be handed to the Chairman at the meeting at which they are to be used.
6. In the case of joint Shareholders, any one of such persons may vote, but if more than one of such persons shall be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote or votes of the other joint holder or holders, and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company or (as the case may be) the Depository Register in respect of the Share.
7. By the Order, the Court has appointed David Chew Khien Meow, the Executive Chairman of the Company, or failing him, Leong Sook Ching, the Executive Director and Chief Corporate Officer of the Company, to act as Chairman of the Meeting; and

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## NOTICE OF COURT MEETING

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8. If a majority in number representing three-fourths in value of the members of the Company present and voting either in person or by proxy at the Meeting (or any adjourned Meeting) agrees to the said Scheme, with or without modification, such Scheme shall be binding on all members of the Company if approved by a subsequent Order of Court.

Dated this 2 February 2015.

**Solicitor(s) for the Applicant(s)**

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### STRATECH SYSTEMS LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 199608251Z)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (“**EGM**”) of Stratech Systems Limited (“**Company**”) will be held at Function Room 1, 31 International Business Park, Level 1, Creative Resource (Main Lobby), Singapore 609921 on 25 February 2015 at 4.00 p.m., or as soon thereafter following the conclusion of the Court Meeting to be held at 3.30 p.m. on the same day and at the same place (or its adjournment thereof), for the purpose of considering and, if thought fit, passing with or without any modification, the following ordinary resolutions:

*All capitalised terms in this notice of EGM which are not defined herein shall have the same meanings ascribed to them in the document to Shareholders dated 2 February 2015 (“**Document**”).*

### Ordinary Resolutions:

#### 1. Approval of the adoption of the NewCo ESOS

THAT, subject to and contingent upon the passing of ordinary resolution 3 and conditional upon the Scheme being approved, the NewCo ESOS, the rules of which are set out in the Document, be and is hereby approved and adopted by NewCo substantially in the form set out in the Rules of the NewCo ESOS, and the NewCo Directors be and are hereby authorised:

- (a) to establish the NewCo ESOS on substantially the same terms and conditions as the Stratech ESOS 2011 and to administer the NewCo ESOS;
- (b) to modify and/or amend the NewCo ESOS from time to time, provided that such modifications and/or amendments are effected in accordance with the provisions of the NewCo ESOS, 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 NewCo ESOS; and
- (c) pursuant to Section 161 of the Companies Act, to offer and grant the NewCo Options in accordance with the rules of the NewCo ESOS, and to allot and issue from time to time such number of NewCo Option Shares as may be required to be issued pursuant to the exercise of the NewCo Options under the NewCo ESOS.

#### 2. Approval of the adoption of the NewCo PSS

THAT, subject to and contingent upon the passing of ordinary resolution 4 and conditional upon the Scheme being approved, the NewCo PSS, the rules of which are set out in the Document, be and is hereby approved and adopted by NewCo substantially in the form set out in the Rules of the NewCo PSS, and the NewCo Directors be and are hereby authorised:

- (a) to establish the NewCo PSS on substantially the same terms and conditions as the Stratech PSS and to administer the NewCo PSS;
- (b) to modify and/or amend the NewCo PSS from time to time, provided that such modifications and/or amendments are effected in accordance with the provisions of the NewCo PSS, 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 NewCo PSS; and

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (c) pursuant to Section 161 of the Companies Act, to offer and grant the NewCo Awards in accordance with the rules of the NewCo PSS, and to allot and issue from time to time such number of NewCo Award Shares as may be required to be issued pursuant to the vesting of the NewCo Awards under the NewCo PSS.

### 3. **Ratification of the ESOS Variation Agreements, Approval of the Proposed Options Variation and Termination of the Stratech ESOS 2011**

THAT subject to and contingent upon the passing of ordinary resolution 1 and conditional upon the Scheme being approved:

- (a) the ESOS Variation Agreements entered into between the Company, NewCo and the Optionholders, be and are hereby approved, confirmed and ratified;
- (b) the proposed novation of the outstanding options granted under the Stratech ESOS 2000 and Stratech ESOS 2011 to the NewCo by way of entry into the ESOS Variation Agreements, details of which are set out in paragraph 4.3 of the Letter from the Board to the Shareholders ("**Proposed Options Variation**") in the Document containing information on, *inter alia*, the Scheme (including the termination of the Stratech ESOS 2011) be and are hereby approved;
- (c) the Stratech ESOS 2011 be and is hereby terminated; and
- (d) the directors of the Company be and are hereby authorised to do any and all such acts and things as they may, in their absolute discretion deem fit, expedient or necessary to give effect to the ESOS Variation Agreements, the Proposed Options Variation, the termination of the Stratech ESOS 2011 and this Resolution.

### 4. **Termination of the Stratech PSS**

THAT subject to and contingent upon the passing of ordinary resolution 2 and conditional upon the Scheme being approved:

- (a) the Stratech PSS be and is hereby terminated; and
- (b) the directors of the Company be and are hereby authorised to do any and all such acts and things as they may, in their absolute discretion deem fit, expedient or necessary to give effect to the termination of the Stratech PSS.

### 5. **Proposed grant of authority to offer and grant NewCo Options at a discount under the NewCo ESOS**

That subject to and contingent upon the passing of ordinary resolution 1, the NewCo Directors be and are hereby authorised to offer and grant the NewCo Options in accordance with the Rules of the NewCo ESOS with Exercise Prices (as defined below) set at a discount to the Market Price (as defined below), provided that such discount does not exceed 20% of the Market Price (or such other percentage or amount as may be determined by the NewCo Committee and permitted by the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

In this notice of EGM, "**Exercise Price**" means the price at which a participant of the NewCo ESOS shall subscribe for or purchase each NewCo Option Share upon the exercise of a NewCo Option and "**Market Price**" means the average of the last dealt prices for the NewCo Shares on the SGX-ST over the three (3) consecutive days on which the SGX-ST is open for trading in securities immediately preceding the relevant date of an offer to grant that NewCo Option, as published by the SGX-ST, rounded up to the nearest whole cent in the event of fractional prices.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**6. Proposed participation of Controlling Shareholders and their Associates in the NewCo ESOS**

THAT, subject to and contingent upon the passing of ordinary resolutions 1 and 3 and conditional upon the Scheme being approved, the participation of Controlling Shareholders and their Associates in accordance with the Rules of the NewCo ESOS be and is hereby approved.

By Order of the Board  
Leong Sook Ching  
Company Secretary  
Singapore  
2 February 2015

**Notes:**

- (1) Every Shareholder entitled to attend and vote at the EGM is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.
- (2) The instrument appointing the proxy that has been executed by a Shareholder must be lodged at the Registrar's office at 63 Cantonment Road, Singapore 089758 not less than 48 hours before the time appointed for the EGM or any adjournment thereof. Detailed instructions are set out in the proxy form.

*This page has been intentionally left blank.*

**IMPORTANT:**

1. For investors who have used their CPF moneys to buy Stratech Systems Limited's Shares, this Scheme Document is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote should contact their CPF Approved Nominees.

**STRATECH SYSTEMS LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 199608251Z)

**FORM OF PROXY FOR USE AT THE COURT MEETING  
(OR AT ANY ADJOURNMENT THEREOF)**

**IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE**

Case No.: OS 1010/2014

In the matter of Section 210 of the Companies Act (Cap. 50)

And

In the matter of STRATECH SYSTEMS LIMITED

**STRATECH SYSTEMS LIMITED**

(SINGAPORE UEN NO. 199608251Z)

...Applicant(s)

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

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

being a \*Shareholder/Shareholders of Stratech Systems Limited, hereby appoint:

Name	Address	NRIC/Passport No.	Total Number of Shares Held

or failing him, the Chairman of the Court Meeting convened on the directions of the High Court of Singapore as my/our proxy, to attend and vote for \*me/us on \*my/our behalf and, if necessary, to demand a poll, at the Court Meeting to be held at Function Room 1, 31 International Business Park, Level 1, Creative Resource (Main Lobby), Singapore 609921 on 25 February 2015 at 3.30 p.m. and at any adjournment thereof.

\*I/We direct \*my/our proxy to vote for or against the Resolution to be proposed at the Court Meeting as indicated below. In the absence of specific directions, the proxy will vote or abstain as he may think fit, as he will on any other matter arising at the Court Meeting. The authority includes the right to demand or to join in demanding a poll and to vote on a poll.

Resolution	For	Against
To approve the Scheme		

If you wish to exercise all your votes "For" or "Against", please indicate with an "X" in the spaces provided. Otherwise please indicate the number of votes as appropriate.

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



\_\_\_\_\_  
Signature(s) of Shareholder(s)/Common Seal

**Notes:**

1. All capitalised terms used herein and defined in the Notice of Court Meeting shall, unless otherwise defined herein, bear the respective meanings ascribed thereto in the said Notice of Court Meeting.
2. In the space provided for "**Total Number of Shares Held**", please insert the total number of Shares you hold. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Shareholders of our Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Shareholders, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Shareholders. If no number is inserted, the instrument appointing a proxy shall be deemed to relate to all the Shares in the capital of the Company held by you.
3. A Shareholder entitled to attend and vote at the Court Meeting is entitled to appoint one (and not more than one) proxy to attend and vote on his behalf. A proxy need not be a Shareholder.
4. If however, notwithstanding the completion and lodgement of the Proxy Form by the Shareholder, the Shareholder attends the Court Meeting in person, the Proxy Form submitted by that Shareholder shall be rendered null and void by such attendance.
5. To be effective, the instrument appointing a proxy (or representative) must be deposited at the Registrar's office at 63 Cantonment Road, Singapore 089758, not less than 48 hours before the time appointed for holding the above meeting.
6. The instrument appointing a proxy must be under the hand of the appointer or of 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 its duly authorised officer or attorney.
7. Where an instrument appointing a proxy is signed on behalf of the appointer by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a Shareholder may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the above meeting, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.
9. The Company shall be entitled to reject the instrument appointing a proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy lodged if the shareholder, 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 Court Meeting, as certified by The Central Depository (Pte) Limited to the Company.



# STRATECH SYSTEMS LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 199608251Z)

## PROXY FORM FOR USE AT THE Extraordinary General Meeting (or any Adjournment thereof)

### IMPORTANT

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

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

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

being a \*member/members\* of Stratech Systems Limited, hereby appoint:

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

and/or (delete as appropriate)

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 of the Company to be held at Function Room 1, 31 International Business Park, Level 1, Creative Resource (Main Lobby), Singapore 609921 on 25 February 2015 at 4.00 p.m. (or as soon as the Court Meeting convened at the direction of the High Court of Singapore for the same day and at the same place shall have concluded or been adjourned), and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolution as set out in the Notice of the 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	To be used on a show of hands		To be used in the event of a poll	
	For*	Against*	No. of votes for**	No. of votes against**
<b>Ordinary Resolution 1</b> To approve the proposed adoption of the NewCo ESOS				
<b>Ordinary Resolution 2</b> To approve the proposed adoption of the NewCo PSS				
<b>Ordinary Resolution 3</b> To ratify the ESOS Variation Agreements, approve the Proposed Options Variation and terminate the Stratech ESOS 2011				
<b>Ordinary Resolution 4</b> To terminate the Stratech PSS				
<b>Ordinary Resolution 5</b> To approve the offer and grant of NewCo Options at a discount under the NewCo ESOS				
<b>Ordinary Resolution 6</b> To approve the proposed participation of Controlling Shareholders and their Associates in the NewCo ESOS				



\* Please indicate your vote "For" or "Against" within the box provided.

\*\* If you wish to use all your votes "For" or "Against", please indicate with an "X" within the box provided. Otherwise please indicate the number of votes.

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

Total number of Shares held in:	No. of Shares
CDP Register	
Register of Members	

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

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

**Notes:**

1. All capitalised terms used herein and defined in the notice of EGM shall, unless otherwise defined herein, bear the respective meanings ascribed thereto in the said notice of EGM.
2. In the space provided for "**Total Number of Shares Held**", please insert the total number of Shares you hold. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, (Chapter 50) of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Shareholders of our Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Shareholders, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Shareholders. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares in the capital of the Company held by you.
3. A Shareholder entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a Shareholder. Where a Shareholder appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. If however, notwithstanding the completion and lodgement of the Proxy Form by the Shareholder, the Shareholder attends the EGM in person, the Proxy Form submitted by that Shareholder shall be rendered null and void by such attendance.
5. To be effective, the instrument appointing a proxy (or representative) must be deposited at the Registrar's office at 63 Cantonment Road, Singapore 089758, not less than 48 hours before the time appointed for holding the EGM.
6. The instrument appointing a proxy must be under the hand of the appointer or of 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 its duly authorised officer or attorney.
7. Where an instrument appointing a proxy is signed on behalf of the appointer by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a Shareholder may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the shareholder, 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 EGM, as certified by The Central Depository (Pte) Limited to the Company.