

LETTER TO SHAREHOLDERS DATED 28 APRIL 2020

THIS LETTER TO SHAREHOLDERS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Letter to Shareholders (“**Letter**”) is circulated to Shareholders of Sing Investments & Finance Limited (the “**Company**”). Its purpose is to provide Shareholders with information on, and to explain the rationale for the proposed adoption of the Sing Investments & Finance Performance Share Plan 2020, the proposed participation of Mr Lee Sze Leong in the PSP (as defined below), the proposed participation of Mr Lee Sze Siong in the PSP and the proposed adoption of the share purchase mandate to be tabled at the Annual General Meeting of Shareholders to be held by way of electronic means on 20 May 2020 at 10 a.m. If you are in any doubt in relation to this Letter or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Notice of Annual General Meeting and Proxy Form have been made available on SGXNet and the Company’s website and may be accessed at the URL <https://www.sif.com.sg/annual-general-meeting.php>.

Unless otherwise stated, capitalised terms on this cover are defined in this Letter under the section entitled “**Definitions**”.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the contents of this Letter, including the correctness of any of the statements or opinions made or reports contained in this Letter.

This Letter has been made available on SGXNet and the Company’s website and may be accessed at the URL <https://www.sif.com.sg/annual-general-meeting.php>. A printed copy of this Letter will NOT be despatched to Shareholders.

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the AGM. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the AGM by (a) watching the AGM proceedings via “live” webcast or listening to the AGM proceedings via “live” audio feed, (b) submitting questions in advance of the AGM, and/or (c) voting by proxy at the AGM.

Please refer to paragraph 8 of this Letter and the Company’s Notice of AGM dated 28 April 2020 which has been uploaded together with this Letter on SGXNet for further information, including the steps to be taken by Shareholders to participate at the AGM. Such announcement may also be accessed at the URL <https://www.sif.com.sg/annual-general-meeting.php>.



SING INVESTMENTS & FINANCE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 196400348D)

LETTER TO SHAREHOLDERS

IN RELATION TO:

- (A) THE PROPOSED ADOPTION OF THE SING INVESTMENTS & FINANCE PERFORMANCE SHARE PLAN 2020 (THE “PSP”);
- (B) THE PROPOSED PARTICIPATION OF MR LEE SZE LEONG IN THE PSP;
- (C) THE PROPOSED PARTICIPATION OF MR LEE SZE SIONG IN THE PSP; AND
- (D) THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE (THE “SHARE PURCHASE MANDATE”).

IMPORTANT DATES AND TIMES

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| Last date and time for lodgment of Proxy Form | : | 17 May 2020 at 10 a.m. |
| Date and time of Annual General Meeting | : | 20 May 2020 at 10 a.m. |
| Place of Annual General Meeting | : | The AGM will be held by way of electronic means |

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DEFINITIONS

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

- “AGM”** : The annual general meeting of the Company to be held by way of electronic means on 20 May 2020 at 10 a.m.
- “Associate”** : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) In relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Award”** : A contingent award of Shares granted under the PSP and for the time being subsisting
- “Award Shares”** : The new Shares which may be issued and allotted from time to time pursuant to the vesting of Awards granted under the PSP
- “Board”** : The board of Directors of the Company for the time being
- “CDP”** : The Central Depository (Pte) Limited
- “Committee”** : The Remuneration Committee of the Company, or such other committee comprising Directors duly authorised and appointed by the Board to administer the PSP from time to time
- “Company”** : Sing Investments & Finance Limited
- “Companies Act”** : Companies Act (Cap. 50) of Singapore, as amended, modified or supplemented from time to time

DEFINITIONS

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| “Constitution” | : | The Constitution of the Company, as amended from time to time |
| “Control” | : | The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company |
| “Controlling Shareholder” | : | A person who: (a) holds directly or indirectly 15% or more of all voting shares in the Company (unless the SGX-ST determines that such a person is not a Controlling Shareholder); or (b) in fact exercises Control over the Company |
| “CPF” | : | Central Provident Fund |
| “Directors” | : | The directors of the Company as at the Latest Practicable Date and each a “Director” |
| “EPS” | : | Earnings Per Share |
| “FY2019” | : | Financial year of the Company ended 31 December 2019 |
| “Group” | : | The Company and its subsidiaries |
| “Group Employee” | : | Any confirmed employee of the Group (including any Group Executive Director) selected by the Committee to participate in the PSP in accordance with the Rules |
| “Group Executive Director” | : | A director of the Company or any of its subsidiaries who performs an executive function |
| “Independent Shareholders” | : | Shareholders other than Participants or Associates of Participants |
| “Latest Practicable Date” | : | 22 April 2020, being the latest practicable date prior to the printing of this Letter |
| “Letter” | : | This letter to Shareholders dated 28 April 2020 |
| “Listing Manual” | : | The listing manual of the SGX-ST, as amended, modified or supplemented from time to time |
| “Market Day” | : | A day on which the SGX-ST is open for trading in securities |
| “Market Purchases” | : | On-market purchases |

DEFINITIONS

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| “Non-Executive Director” | : | A Director who is not a Group Employee and who does not perform an executive function in the Group, including an Independent Director |
| “Notice of AGM” | : | The notice of the AGM dated 28 April 2020 |
| “NTA” | : | Net tangible assets |
| “Offer Date” | : | In relation to an Award, the date on which an Award is made |
| “Off-Market Purchases” | : | Off-market purchases, otherwise than on a securities exchange, in accordance with an “equal access scheme” as defined in section 76C of the Companies Act |
| “Participant” | : | A person who is selected by the Committee to participate in the PSP in accordance with the Rules |
| “Performance Target” | : | The performance target described by the Committee to be fulfilled by a Participant for any particular Performance Period under the PSP, if any |
| “Record Date” | : | In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company), on which Shareholders must be registered with the Company or with CDP in order to participate in such dividends, rights, allotments or other distributions |
| “Register of Members” | : | Register of members of the Company |
| “Rules” | : | The rules of the PSP, as amended or modified from time to time, as set out in Appendix I of this Letter |
| “Securities Account” | : | A securities account maintained by a Depositor with the CDP but not including a securities sub-account maintained with a Depository Agent |
| “SFA” | : | Securities and Futures Act, Chapter 289, of Singapore, as amended, modified or supplemented from time to time |
| “SFRS(I) 2” | : | Singapore Financial Reporting Standards (International) 2: Share-based Payment |
| “SGX-ST” | : | Singapore Exchange Securities Trading Limited |
| “SGXNET” | : | The SGXNET Corporate Announcement System, being a system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST |

DEFINITIONS

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| “Shareholders” | : | The registered holders of Shares in the register of members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose securities accounts are credited with such Shares |
| “Share Purchases” | : | The purchases or acquisitions of Shares pursuant to the Share Purchase Mandate |
| “Shares” | : | Issued and paid-up ordinary shares in the capital of the Company, and each a “Share” |
| “Substantial Shareholder” | : | A person (including a corporation) who has an interest in not less than 5% of the total issued voting Shares |
| “S\$” and “cents” | : | Singapore dollars and cents respectively, being the lawful currency of Singapore |
| “Take-Over Code” | : | Singapore Code on Take-overs and Mergers as amended or modified from time to time |
| “Treasury Share(s)” | : | A Share that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled |
| “Vesting Period” | : | In relation to an Award, a period or periods, the duration of which is to be determined by the Committee at the date of the grant of the Award |
| “Vesting Schedule” | : | In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be released on the Performance Targets being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period |
| “%” or “per cent.” | : | Per centum or percentage |

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

The terms **“subsidiaries”** and **“related corporations”** shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

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

DEFINITIONS

Any reference to a time of day and date in this Letter is made by reference to Singapore time and date, unless otherwise stated.

Any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual or any statutory or regulatory modification thereof and not otherwise defined in this Letter shall, where applicable, have the meaning ascribed to it under the Act, the Listing Manual or any such statutory or regulatory modification thereof, as the case may be, unless the context otherwise requires.

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

Any discrepancies in figures included in this Letter between the amounts listed and their actual values are due to rounding. Accordingly, figures may have been adjusted to ensure that totals or sub-totals shown, as the case may be, reflect an arithmetic aggregation of the figures that precede them.

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

LETTER TO SHAREHOLDERS



SING INVESTMENTS & FINANCE LIMITED

(Incorporated in the Republic of Singapore on 13 November 1964)
(Company Registration Number 196400348D)

Board of Directors:

Mr Ng Tat Pun (Chairman)
Mr Lee Sze Leong (Managing Director and Chief Executive Officer)
Mr Lee Sze Siong (Executive Director and Deputy Managing Director)
Mr Chee Jin Kiong (Non-Executive & Independent Director)
Mr Lau Hwai Keong Michael (Non-Executive & Independent Director)
Mr Toh Kian Leong Joseph (Non-Executive & Independent Director)

Registered Office:

96 Robinson Road
#01-01
SIF Building
Singapore 068899

28 April 2020

To: The Shareholders of Sing Investments & Finance Limited

Dear Sir/Madam

- (A) THE PROPOSED ADOPTION OF THE PSP;**
- (B) THE PROPOSED PARTICIPATION OF MR LEE SZE LEONG IN THE PSP;**
- (C) THE PROPOSED PARTICIPATION OF MR LEE SZE SIONG IN THE PSP; AND**
- (D) THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE.**

1 INTRODUCTION

1.1 Annual General Meeting

1.1.1 The Board refers to Ordinary Resolutions 8, 9, 10 and 11 in items 9, 10, 11 and 12 respectively of the Notice of AGM, which are to be tabled at the AGM to be held on 20 May 2020 to seek Shareholders' approval for the following:

- (a) the proposed adoption of the PSP;
- (b) the proposed participation of Mr Lee Sze Leong in the PSP;
- (c) the proposed participation of Mr Lee Sze Siong in the PSP; and
- (d) the proposed adoption of the Share Purchase Mandate.

LETTER TO SHAREHOLDERS

1.2 Purpose of this Letter

- 1.2.1 The purpose of this Letter is to provide Shareholders with information pertaining to the proposed adoption of the PSP, the proposed participation of Mr Lee Sze Leong in the PSP, the proposed participation of Mr Lee Sze Siong in the PSP and proposed adoption of the Share Purchase Mandate and to seek Shareholders' approval in relation thereto at the AGM to be held by way of electronic means on 20 May 2020 at 10 a.m. The Notice of AGM has been uploaded on SGXNet and may be accessed at the URL <https://www.sif.com.sg/annual-general-meeting.php>.
- 1.2.2 This Letter has been prepared solely for the purpose outlined above and may not be relied upon by any persons (other than the Shareholders to whom this Letter is despatched to by the Company) or for any other purpose.
- 1.2.3 **The SGX-ST takes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Letter.**

2 THE PROPOSED ADOPTION OF THE SING INVESTMENTS & FINANCE LIMITED PERFORMANCE SHARE PLAN 2020

2.1 Listing of Shares

- 2.1.1 Application will be made to the SGX-ST for the dealing in and listing and quotation on the SGX-ST of the new Shares to be allotted and issued pursuant to the PSP ("**Award Shares**"), subject to separate Independent Shareholders' approval being obtained for the PSP. An appropriate announcement on receipt of the approval in-principle for the listing and quotation of the Award Shares on the SGX-ST, if granted, will be made in due course.
- 2.1.2 Shareholders should take note that the receipt of the approval in-principle from the SGX-ST, if granted, is not to be taken as an indication of the merits of the PSP, the Award Shares, the Company, its subsidiaries and their securities.

2.2 Rationale for the proposed adoption of the PSP

- 2.2.1 The Board is proposing to implement the PSP so that the Company will have the option and flexibility to pay eligible employees' bonuses in the form of cash, Shares or a combination of cash and Shares, resulting in a better and more flexible salary and cash-flow management for the Company.
- 2.2.2 The PSP gives the Company the flexibility to impose specific or medium-term performance targets or to impose time-based service conditions, or a combination of both, as a means to reward and steer its executives to better performance and to retain employees with suitable skill sets and talents to drive the growth of the Group.
- 2.2.3 A performance-based award may be granted under the PSP, for example, with a Performance Target based on the successful completion of a project, or on the Company meeting certain specified corporate target(s). The Company may also grant Awards under the PSP after the satisfactory completion of time-based service conditions, that is, after the Participants have served the Group for a specified number of years or after a further period of service beyond the completion date of the Performance Targets. The Company may also impose an extended Vesting Period beyond the completion date of the Performance Targets in order to encourage Participants to continue serving the Group.

LETTER TO SHAREHOLDERS

2.2.4 Under the PSP, it is contemplated that the award of fully paid Shares, issued free of charge to Participants under the PSP would incentivise Participants to excel in their performance and encourage greater dedication and loyalty to the Company. Through the PSP, the Company will be able to recognise and reward past contributions and services and motivate Participants under the PSP to continue to strive for the Company's long-term prosperity. The PSP will further strengthen and enhance the Company's competitiveness in attracting and retaining employees with suitable talents. The PSP aims to foster an ownership culture within the Company and align the interests of Participants with the interests of the Shareholders.

2.3 **Mandate for issue and allotment of Shares pursuant to the PSP**

The Company will be seeking the approval of the Shareholders for the mandate to offer and grant Award(s) in accordance with the Rules of the PSP, and pursuant to Section 161 of the Companies Act, to allot and issue from time to time such number of new Shares as may be required to be issued comprised in the Award(s) that may be granted under the PSP provided always that the aggregate number of the new Shares (excluding treasury shares and subsidiary holdings) available under the PSP shall not exceed 15% of the total issued share capital of the Company from time to time, as determined in accordance with the Rules (as summarised below).

2.4 **Summary of the Rules**

The following is a summary of the principal terms of the PSP and is qualified in its entirety by reference to the more detailed information in the Rules, a copy of which is available for inspection at the registered office of the Company from the date of this Letter up to and including the date of the AGM.

2.4.1 **Eligibility of Participants**

Group Employees, Group Executive Directors and Non-Executive Directors who, in the opinion of the Committee, have contributed or will contribute to the success of the Group are eligible to participate in the PSP at the absolute discretion of the Committee, provided that, as of the Offer Date, such persons have attained the age of 21 years, are not undischarged bankrupts and have not entered into any compositions with their respective creditors.

Controlling Shareholders and their Associates who meet the criteria as set out above are eligible to participate in the PSP, provided that (a) the participation of each Controlling Shareholder or his Associate prior to the first grant of an Award to him is specifically approved by Independent Shareholders in a general meeting of the Company by a separate resolution, and (b) each grant of an Award, including the actual number and terms of the Award to be granted to each Controlling Shareholder or his Associate only be effected with the specific prior approval of Independent Shareholders in a general meeting of the Company by a separate resolution.

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2.4.2 Entitlements of Participants

Participants are not required to pay for the grant of Awards. Award(s) represent the right of a Participant to whom the Award is granted to receive fully paid Shares free of charge, upon him achieving the Performance Target, if any, or upon the fulfilment of the conditions specified for the vesting of, and release of the Shares comprised in the Awards.

2.4.3 Size of the PSP

The aggregate number of Shares for which an Award may be granted on any date under the PSP, when added to the number of Shares issued and/or issuable or transferred/transferable in respect of (a) all Awards granted under the PSP and (b) all Shares, options or awards granted under any other share option or share scheme of the Company then in force, shall not exceed 15% of the total issued Shares of the Company (excluding treasury shares and subsidiary holdings, if any) on the day preceding that date.

In addition, the aggregate number of Shares over which Awards may be granted under the PSP to Controlling Shareholders and their Associates must not exceed 25% of the Shares available under the PSP, and the number of Shares over which an Award may be granted under the PSP to each Controlling Shareholder or his Associate must not exceed 10% of the Shares available under the PSP.

2.4.4 Duration of the PSP

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

2.4.5 Grant of Awards

Subject to the Rules, the number of Shares which are the subject of each Award to be granted to a Participant under the PSP shall be determined at the absolute discretion of the Committee, which shall take into consideration, where applicable, factors such as the Participant's rank, scope of responsibilities, past performance, length of service, contribution to the success and development of the Group, potential for future development of the Participant and the prevailing market and economic conditions. The Committee may, in its absolute discretion, elect to grant Awards to selected Participants as a form of payment or part payment of their bonuses.

The Committee shall, in its absolute discretion, determine in relation to an Award (a) the Participant; (b) the Offer Date; (c) the number of Shares which are the subject of the Award; (d) the Performance Target for the Participant (if any); (e) the Performance Period for the Participant (if any); (f) the Vesting Schedule (if any); and (g) any other condition which the Committee may decide in relation to that Award.

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An Award is personal to the Participant to whom it is given and shall not, prior to the allotment and issue or transfer to the Participant of the Shares to which the Award relates, be transferred (other than to a Participant's personal representative on the death of the Participant), charged, assigned, pledged or otherwise disposed of, unless with the prior approval of the Committee. If a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award without the prior approval of the Committee, the Award concerned shall immediately lapse.

2.4.6 Vesting of Awards

Subject to the Rules, the Awards shall vest and the Committee shall release to the Participant Shares comprised in the Award upon the fulfilment of the conditions specified for the vesting of, and release of the Shares comprised in the Award.

Awards which are subject to the Participant achieving specified Performance Target may only be vested, and consequently any Shares comprised in such Awards shall only be delivered, upon the Committee being satisfied at its absolute discretion, that the Performance Target has been satisfied and the extent to which they have been satisfied (whether fully or partially), or upon the Committee waiving such Performance Target, as the case may be. In cases of partial satisfaction, the Committee may determine the extent to which an Award may vest and the number of Shares comprised in that Award to be released. If the Committee determines in its sole discretion that the Performance Target has not been satisfied in full, and that such Award should accordingly not vest in a Participant, in whole or in part, to the extent that such Award or part thereof has not vested, it shall lapse and be of no effect.

An Award which is not released, shall immediately lapse without any claim whatsoever against the Company and/or the Group, in the event of (a) the decision of the Committee, acting in good faith and on fair and reasonable grounds, to revoke or annul such Award; (b) the bankruptcy of a Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of an Award; and/or (c) the misconduct of a Participant as determined by the Committee at its sole and absolute discretion.

In addition, an Award which is not released shall immediately lapse without any claim whatsoever against the Company and/or the Group upon the cessation of employment of a Participant with the Group for any reason whatsoever provided that:

- (a) where the Participant ceases to be in the employment of the Group by reason of (i) ill health, injury or disability; (ii) redundancy; (iii) retirement at or after the legal retirement age; (iv) retirement before the legal retirement age with the consent of the Committee; (v) the subsidiary by which he is employed ceasing to be a Group company, or the undertaking or part of the undertaking of such subsidiary being transferred otherwise than to another Group company; or (vi) the termination of his employment by the Company or other relevant Group company for reason other than due to the Participant's act of gross or wilful misconduct or the Participant's material breach of his service or employment contract, confidentiality obligation, policies or code of business conduct or other written policies practices or procedures of the Group; or

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- (b) in any other event (including any other reason for the cessation of employment) approved in writing by the Committee,

then the Committee may, acting in good faith and on a fair and reasonable basis preserve all or any part of any Award and decide either to vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the PSP. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the conditions specified for the vesting of, and release of the Shares comprised in the Award have been satisfied.

A Participant shall be deemed to have ceased employment as of the date the notice of termination of employment is tendered by or is given to him, unless such notice is withdrawn prior to its effective date. Further, the transfer of employment of a Participant within the Group shall not be regarded as his employment having ceased by reason only of such transfer.

For the avoidance of doubt, the Shares comprised in an Award shall nevertheless be released to a Participant as long as he has fulfilled the conditions for the vesting of, and release of the Shares comprised in the Award. If a Participant has fulfilled the conditions specified for the vesting of, and release of the Shares comprised in an Award but dies before the Shares under the Award are released, the Shares under the Award shall in such circumstances be given to the personal representatives of the Participant.

2.4.7 **Release of Awards**

Subject to such necessary consents or other required action of any competent authority under any regulations or enactments for the time being in force and subject to compliance with the terms of the PSP and the Constitution of the Company, the Company shall as soon as practicable but in any event within one month (or such other period as may be permitted by the Listing Manual) after the vesting of an Award, allot and issue the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit.

If the Company holds any treasury shares, the Company may instead of the issue of new Shares, deliver Shares to Participants upon vesting of their Awards by way of the transfer of treasury shares to the Participants. The Company currently does not possess any treasury shares and does not have in force a share purchase mandate. In the event that a share purchase mandate is adopted whilst the PSP is in force, in determining whether to purchase Shares for delivery, the Committee will take into account factors such as (but not limited to) the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of the various modes of settlement.

Shares issued and allotted upon the vesting of an Award shall be subject to all the provisions of the Companies Act and the Constitution of the Company (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Shares, including those rights which arise from a liquidation of the Company), and shall rank *pari passu* in all respects with the then existing issued Shares except for any dividend, right, allotment or other distribution, the Record Date for which being prior to the relevant vesting date of the Award.

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2.4.8 **Administration of the PSP**

The PSP shall be administered by the Committee duly authorised and appointed by the Board, 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 or his Associate.

2.4.9 **Modification of the PSP**

Subject to the Rules, any or all the provisions of the PSP may be modified and/or altered at any time and from time to time by resolution of the Committee, except that any modification or alteration which would be to the advantage of Participants shall not be made except with the prior approval of Shareholders in general meeting, and no modification or alteration shall be made except in compliance with the Listing Manual or such other stock exchange on which the Shares are quoted or listed and such other regulatory authorities as may be necessary.

2.4.10 **Shareholders should note that the above is only a summary of the more substantive aspects of the PSP. Shareholders should refer to the complete copy of the Rules for full details.**

2.5 **Financial effects of the PSP**

2.5.1 **Share capital**

The PSP will result in an increase in the number of issued Shares to the extent that new Shares are allotted and issued upon the vesting and release of the Awards under the PSP.

The number of new Shares issued will depend on, *inter alia*, the size of the Awards granted under the PSP. However, if Treasury Shares are transferred to Participants in lieu of issuing new Shares to Participants, the PSP will have no impact on the Company's issued share capital.

2.5.2 **NTA**

The grant of Awards under the PSP will result in a charge to the Company's and Group's income statements, which is equal to the fair value of the Awards over the period from the date of grant of the Awards to the date of vesting and release of the Awards.

If new Shares are issued to the Participants under the PSP, the NTA of the Company and the Group would decrease by the amount charged. However, if instead of issuing new Shares to the Participants, existing Shares are purchased for delivery to the Participants, the consolidated NTA of the Company would decrease by the cost of the Shares purchased.

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2.5.3 EPS

The PSP will have a dilutive impact on the Company's consolidated EPS following the increase in the number of issued Shares to the extent that new Shares are allotted and issued pursuant to the vesting and release of Awards under the PSP.

The PSP will result in a charge to earnings equivalent to the fair value of the Awards at the date of grant over the period from the date of grant of the Awards to the vesting date.

Although the PSP will have a dilutive impact on the EPS of the Company and the Group, the delivery of Shares to Participants in respect of Awards granted under the PSP is contingent upon the Participants meeting prescribed performance targets, which will take into consideration the contributions of the Participants towards the financial performance of the Group.

2.5.4 Potential Cost of Granting Awards

The PSP is considered a share-based payment that falls under the scope of SFRS(I) 2, which related to share-based payments and took effect for all listed companies beginning 1 January 2018. The Awards, if settled by way of the issue of New Shares or through the use of treasury share (i.e. purchase of existing Shares), would be accounted for as equity-settled share based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards will be recognised as a charge to the income statement over the period between the date of grant of an Award and the vesting date of an Award. The total amount of the charge over the Vesting Period is determined by reference to the fair value of each Award granted at the date of grant of the Award and the number of Shares vested at the vesting date, with a corresponding credit to reserve account. The amount of the charge to the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. At each reporting date, the number of Awards that are expected to be vested are estimated. The impact on the revision of original estimates is recognised as an expense in the income statement and as a corresponding adjustment to the reserve account over the remaining Vesting Period, unless the revision to original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimate due to market conditions. No expense is recognised for Awards that do not ultimately vest, except for Awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

After the vesting date, no adjustment to the charge to the income statement is made.

2.6 Abstention from voting

Shareholders who are eligible to participate in the PSP must abstain from voting on any resolution relating to the PSP (including, where applicable, implementation of the PSP and participation by and grant of Awards to Controlling Shareholders and their Associates) and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

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3 THE PROPOSED PARTICIPATION BY CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES AND NON-EXECUTIVE DIRECTORS IN THE PSP

3.1 Rationale and justification for the proposed participation of the Controlling Shareholders and their Associates in the PSP

- 3.1.1 It is the intention of the Company that all Group Employees, including those who are Controlling Shareholders and their Associates, should be remunerated for their contribution to the Group on the same basis with no differentiation between Group Employees who are Controlling Shareholders or their Associates, and Group Employees who are not. The extension of the PSP to allow Controlling Shareholders and their Associates to participate in the PSP will ensure that they are equally entitled, with the other employees who are not Controlling Shareholders or their Associates, to take part and benefit from this system of remuneration. The Company is of the view that the Controlling Shareholders and their Associates should not be unduly discriminated against by virtue only of their shareholdings in the Company. The Company is also of the view that the extension of the PSP to Controlling Shareholders and their Associates will enhance their long-term commitment to the Group as it will ensure that they will continue to have a stake in the Company even if they decrease their shareholdings in the Company in the future.
- 3.1.2 The Directors are of the view that the participation in the PSP by Controlling Shareholders and their Associates: (i) will act as an additional incentive for Controlling Shareholders and their Associates, who are Group Employees and Directors of any company within the Group, to improve their performance, as the value of the Awards will be best realised when the results of their performance correlate directly with higher values of the Shares; and (ii) is in the best interests of the Company as such Controlling Shareholders and their Associates are able to help to set the vision and direction of the Group, define objectives and roles of management and thus stand in a unique position to contribute to the growth and prosperity of the Group.
- 3.1.3 As a safeguard against abuse, all members of the Board (and not just members of the Committee) who are neither Controlling Shareholders nor their Associates will be involved in deliberations in respect of Awards to be granted to or held by Controlling Shareholders and their Associates and the terms and conditions, including the performance conditions and vesting periods attached to such Awards. Furthermore, specific approval of the independent Shareholders in general meeting by a separate resolution is required for the grant of Awards to Controlling Shareholders and their Associates as well as the actual number of and terms of such Awards.
- 3.1.4 As at the Latest Practicable Date, the Board has identified Mr Lee Sze Leong (the Managing Director and Chief Executive Officer of the Company) and Mr Lee Sze Siong (the Deputy Managing Director of the Company), who are Controlling Shareholders, as proposed participants of the PSP. Detailed reasons for their proposed participation are set out in paragraphs 3.2 and 3.3 below. However, no grant of Awards including the actual number of Shares to be comprised thereunder and the terms thereof have been determined as at the Latest Practicable Date. The Company will at the time of the grant of such Awards to Mr Lee Sze Leong and Mr Lee Sze Siong, seek specific approval of the Independent Shareholders in general meeting by a separate resolution.

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3.2 **Rationale for the Proposed Participation of Mr Lee Sze Leong in the PSP**

Mr Lee Sze Leong serves as the Chief Executive Officer of the Company. He is responsible for setting the strategic plans and steering the business development of the Group as well as its overall management and its day to day operations. Mr Lee Sze Leong has more than 30 years of experience in the finance industry in Singapore.

The Directors are of the view that Mr Lee Sze Leong's contributions to the Group as the Chief Executive Officer of the Company have been instrumental to the growth of the Group's business. Under Mr Lee Sze Leong's direction, the Group has undertaken a wide range of financial services that it offers. The Directors believe that there is substantial potential future development and contribution that may be made by Mr Lee Sze Leong towards enhancing the competitiveness of the Company.

The Directors are of the view that the remuneration package of Mr Lee Sze Leong is fair given his contributions to the Company. The extension of the PSP to Mr Lee Sze Leong is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution, which is vital to the success of the Company. Although Mr Lee Sze Leong already has a shareholding interest in the Company, the extension of the PSP to him will ensure that he is equally entitled, with the other employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing his long-term commitment to the Company.

Due to the above reasons, the Directors believe that Mr Lee Sze Leong deserves, and should be allowed to participate in the PSP. Subject to Shareholders' approval for Ordinary Resolution 8 set out in the Notice of AGM, the Company proposes for Mr Lee Sze Leong to participate in the PSP as set out in Ordinary Resolution 9 in the Notice of AGM.

3.3 **Rationale for the Proposed Participation of Mr Lee Sze Siong in the PSP**

Mr Lee Sze Siong serves as the Deputy Managing Director of the Company. He is responsible for the management and its day to day operations of the Company. Mr Lee Sze Siong is the brother of Mr Lee Sze Leong. Mr Lee Sze Siong has more than 22 years of experience in the finance industry in Singapore.

The Directors are of the view that the remuneration package of Mr Lee Sze Siong is fair given his contributions to the Company. The extension of the PSP to Mr Lee Sze Siong is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution, which is vital to the success of the Company. Although Mr Lee Sze Siong already has a shareholding interest in the Company, the extension of the PSP to him will ensure that he is equally entitled, with the other employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing his long-term commitment to the Company.

Due to the above reasons, the Directors believe that Mr Lee Sze Siong deserves, and should be allowed to participate in the PSP. Subject to Shareholders' approval for Ordinary Resolution 8 set out in the Notice of AGM, the Company proposes for Mr Lee Sze Siong to participate in the PSP as set out in Ordinary Resolution 10 in the Notice of AGM.

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3.4 **Proposed Participation by Non-Executive Directors (including Independent Directors) in the PSP**

3.4.1 The PSP is extended to Non-Executive Directors (including Independent Directors) of the Group. Although the Non-Executive Directors are not involved in the day-to-day running of the Group, they play an invaluable role in the Group's success by applying their experience, drawing on their knowledge and utilising their expertise for the benefit of the Group. It is desirable that the Non-Executive Directors be allowed to participate in the PSP so as to give recognition to their services and contributions and to further align their interests with that of the Group and the Shareholders. The extension of the PSP to Non-Executive Directors will also allow the Company to continue to attract onto its Board, directors who will be able to assist in furthering the business interests of the Group. This will help enhance the growth and long-term profitability of the Group.

3.4.2 In order to minimise any possible conflicts of interest, and so as not to compromise the objectivity of independent members of the Board who may, in the future, be selected to participate in the PSP, the Non-Executive Directors would primarily continue to be remunerated for their services by way of Directors' fees.

3.4.3 The Committee when deciding on the selection of Non-Executive Directors to participate in the PSP, and the number of Awards to be offered (in accordance with the PSP respectively) will take into consideration the nature and extent of their input, assistance and expertise rendered to the committees on which they sit and the impact thereof on the growth, success and development of the Company and the Group, as well as their involvement and commitment to the Board. Non-Executive Directors will abstain from making any recommendation as a Director and abstain from voting as a member of the Company when the grant of Awards to him is being considered. As at the date of this Letter, the Non-Executive Directors are:

| Name of Director | Appointment |
|---------------------------|--|
| Mr Ng Tat Pun | Non-Executive and Independent Director |
| Mr Chee Jin Kiong | Non-Executive and Independent Director |
| Mr Lau Hwai Keong Michael | Non-Executive and Independent Director |
| Mr Toh Kian Leong Joseph | Non-Executive and Independent Director |

3.4.4 As part of the Company's objective to attract talent to the Group, the Committee may in future grant Awards to other Non-Executive Directors who may be appointed from time to time to the Group.

4. THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

4.1 The Share Purchase Mandate

Any purchase or acquisition of its Shares by the Company has to be made in accordance with, and in the manner prescribed by the Companies Act, the Listing Manual, the Constitution and such other laws and regulations as may for the time being be applicable.

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It is a requirement under the Listing Manual and the Companies Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders. Accordingly, approval is being sought from Shareholders at the AGM for the Share Purchase Mandate.

4.2 Rationale for the Share Purchase Mandate

- 4.2.1 The purchase by a company of its issued shares is one of the ways in which the return on equity of the company may be improved, thereby increasing shareholder value. By obtaining the Share Purchase Mandate, the Company will have the flexibility to undertake purchases of Shares at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.
- 4.2.2 The Share Purchase Mandate will also facilitate the return to the Shareholders by the Company of surplus cash (if any) which is in excess of the Group's financial needs in an expedient and cost-effective manner.
- 4.2.3 The Directors further believe that Share Purchases by the Company may help to mitigate short-term market volatility in the price of the Shares, off-set the effects of short-term speculation and bolster Shareholders' confidence.
- 4.2.4 Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised.

4.3 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on the purchases or acquisitions of Shares by the Company under the proposed Share Purchase Mandate, if approved at the AGM, are summarised below:

4.3.1 Maximum Number of Shares

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate shall not exceed 10% of the number of its issued Shares as at the date on which the resolution authorising the Share Purchase Mandate is passed.

The Companies Act provides that any shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit. As at the Latest Practicable Date, the Company has no treasury shares.

Purely for illustrative purposes, on the basis of 157,625,764 Shares in issue (excluding treasury shares) as at the Latest Practicable Date and assuming that no further Shares are issued on or before the AGM, not more than 15,762,576 Shares (representing 10% of the Shares in issue as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Purchase Mandate.

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4.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, by the Company on and from the date of the forthcoming AGM at which the Share Purchase Mandate is approved, up to the earliest of:

- (a) the date on which the next annual general meeting is or is required by law to be held;
- (b) the date on which Share Purchases are carried out to the full extent mandated; or
- (c) the time when the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in general meeting.

The Share Purchase Mandate may be renewed at subsequent annual general meetings or extraordinary general meetings.

4.3.3 Manner of Purchases or Acquisitions of Shares

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

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

Market Purchases refer to purchases or acquisitions of Shares by the Company effected on the SGX-ST, through one or more duly licensed dealers appointed by the Company for the purpose.

In an Off-Market Purchase, the directors of the Company may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual, the Companies Act and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An equal access scheme must, however, satisfy the following conditions:

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

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- (ii) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
- (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Under the Listing Manual, if the Company wishes to make an Off-Market Purchase, it will issue an offer document containing, *inter alia*, the following information to all Shareholders:

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

4.3.4 Maximum Purchase Price

The purchase price (excluding ancillary expenses such as brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors of the Company. However, the purchase price to be paid for the Shares must not exceed the maximum price (“**Maximum Price**”) as set out below:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, 115% of the Average Closing Price of the Shares,

in each case, excluding related expenses of the purchase or acquisition.

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For the above purposes:

“Average Closing Price” means the average of the closing market prices of a Share over the last five market days on which transactions in the Shares were recorded on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Manual for any corporate action that occurs after the relevant five-day period; and

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

4.4 Status of Purchased Shares or Acquired Shares

4.4.1 Under the Companies Act, a Share which is purchased or acquired by the Company may be:

- (a) held by the Company as a treasury Share; or
- (b) dealt with by the Company in the following manner:
 - (i) sold for cash;
 - (ii) transferred for the purposes of or pursuant to an employees' share scheme;
 - (iii) transferred as consideration for the acquisition of shares in or assets of another company or assets of a person;
 - (iv) cancelled; or
 - (v) sold, transferred or otherwise used for such other purposes as the Minister may by order prescribe.

4.4.2 The maximum number of treasury shares which may be held by the Company is as follows:

- (a) the Company if having only one class of shares shall not hold treasury shares exceeding 10% of the total number of such shares; or
- (b) the Company if having more than one class of shares shall not hold treasury shares of that class exceeding 10% of the total number of issued shares in that class at any time;

and in the event that the Company holds in its treasury more than 10% of the total number of issued shares in any class of its shares, it shall cancel the excess within six months or such further period as the Registrar may allow.

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4.4.3 The Company shall not exercise any right in respect of the treasury shares, including:

- (a) the right to attend or vote at meetings; and
- (b) the right to receive dividend or any other distribution (in cash or otherwise) of its assets (including any distribution of assets to members on a winding up).

4.4.4 The Company may receive allotments of fully paid bonus shares in respect of its treasury shares and its treasury shares may be sub-divided or consolidated so long as the total value of the treasury shares after the subdivision or consolidation is the same as before the subdivision or consolidation.

4.5 Source of Funds

4.5.1 The Companies Act provides that any purchase or acquisition of Shares by the Company may be made out of its capital or profits, so long as it is solvent (i.e. the Company is able to pay its debts in full at the time which the share buy-back is being conducted and the value of its assets exceed its liabilities, including any contingent liability and will not after the proposed share buy-back become less than the value of its liabilities, including any contingent liability). The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such an extent that the financial position of the Group would be materially adversely affected.

4.5.2 The Company intends to use internal sources of funds or external borrowings to finance purchases or acquisitions of its Shares. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of the Shares pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions.

4.6 Financial Effects

4.6.1 Where the Company chooses to cancel any of the Shares it repurchases, it shall:

- (a) reduce the amount of its share capital where the Shares are purchased or acquired out of its capital;
- (b) reduce the amount of its profits where the Shares are purchased or acquired out of its profits; or
- (c) reduce the amount of its share capital and profits proportionately where the Shares are purchased or acquired out of both its capital and the profits,

by the total amount of the purchase price paid by it for the Shares cancelled.

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- 4.6.2 The consideration if paid by the Company out of its profits for the purchase or acquisition of Shares (including related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.
- 4.6.3 The financial effects on the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and the amount (if any) borrowed by the Group to fund the purchases or acquisitions.
- 4.6.4 Based on the number of issued Shares (excluding Treasury Shares) as at the Latest Practicable Date, the purchase by the Company of 10% of its issued Shares will result in the purchase or acquisition of 15,762,576 Shares.
- 4.6.5 Assuming the Company purchases or acquires the 15,762,576 Shares at the Maximum Price, the maximum amount of funds required (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) is:
- (a) in the case of Market Purchases of Shares, approximately S\$18,442,214 based on S\$1.17 for one Share (being the price equivalent to 105% above the Average Closing Price of the Shares traded on the SGX-ST for the five consecutive market days immediately preceding the Latest Practicable Date); and
 - (b) in the case of Off-Market Purchases of Shares, approximately S\$20,176,097 based on S\$1.28 for one Share (being the price equivalent to 115% above the Average Closing Price of the Shares traded on the SGX-ST for the five consecutive market days immediately preceding the Latest Practicable Date).
- 4.6.6 For illustrative purposes only, on the basis of the assumptions set out above, and based on the audited financial statements of the Group for the reporting year ended 31 December 2019, and assuming that:
- (a) the Share Purchase Mandate had been effected on the Latest Practicable Date;
 - (b) the purchases or acquisitions of Shares are financed solely by internal resources;
 - (c) the cash applied to pay the purchase consideration would otherwise have earned a return of 1.2% per annum in the inter-bank market; and
 - (d) a Singapore corporate income tax of 17%,

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the financial effects of the purchase or acquisition of such Shares by the Company on the audited financial statements of the Group for the reporting year ended 31 December 2019 would have been as follows:

Market Purchases:

| | The Group | | The Company | |
|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Before Share Purchase | After Share Purchase | Before Share Purchase | After Share Purchase |
| As at 31 December 2019 | | | | |
| Financial Effects | | | | |
| Total Shareholders' Equity (S\$'000) | 372,981 | 354,355 | 372,324 | 353,698 |
| Number of Shares ('000) | 157,626 | 141,863 | 157,626 | 141,863 |
| Weighted average number of Shares ('000) | 157,626 | 141,863 | 157,626 | 141,863 |
| Net profit attributable to Shareholders (S\$'000) | 20,018 | 19,834 | 20,004 | 19,820 |
| Financial Ratios | | | | |
| Net Asset Value per Share (cents) | 2.37 | 2.50 | 2.36 | 2.49 |
| Earnings Per Share ("EPS") (cents) ⁽¹⁾ | 12.70 | 13.98 | 12.70 | 13.97 |
| Return on Equity (%) | 5.4 | 5.6 | 5.4 | 5.6 |
| Capital Adequacy Ratio ("CAR") (%) ⁽²⁾ | 14.4 | 13.7 | 14.4 | 13.7 |

Notes:

- (1) EPS is computed based on FY2019 net profit attributable to ordinary shareholders of the Company divided by the number of shares.
- (2) The capital adequacy ratio is computed based on the Monetary Authority of Singapore's Notice 832: Risk based capital adequacy requirements for finance companies incorporated in Singapore.

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Off-Market Purchases:

| | The Group | | The Company | |
|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Before Share Purchase | After Share Purchase | Before Share Purchase | After Share Purchase |
| As at 31 December 2019 | | | | |
| Financial Effects | | | | |
| Total Shareholders' Equity (S\$'000) | 372,981 | 352,604 | 372,324 | 351,947 |
| Number of Shares ('000) | 157,626 | 141,863 | 157,626 | 141,863 |
| Weighted average number of Shares ('000) | 157,626 | 141,863 | 157,626 | 141,863 |
| Net profit attributable to Shareholders (S\$'000) | 20,018 | 19,817 | 20,004 | 19,803 |
| Financial Ratios | | | | |
| Net Asset Value per Share (cents) | 2.37 | 2.49 | 2.36 | 2.48 |
| EPS (cents) ⁽¹⁾ | 12.70 | 13.97 | 12.70 | 13.96 |
| Return on Equity (%) | 5.4 | 5.6 | 5.4 | 5.6 |
| Capital Adequacy Ratio ("CAR") (%) ⁽²⁾ | 14.4 | 13.6 | 14.4 | 13.6 |

Notes:

- (1) EPS is computed based on FY2019 net profit attributable to ordinary shareholders of the Company divided by the number of shares.
- (2) The capital adequacy ratio is computed based on the Monetary Authority of Singapore's Notice 832: Risk based capital adequacy requirements for finance companies incorporated in Singapore.

SHAREHOLDERS SHOULD NOTE THAT THE FINANCIAL EFFECTS SET OUT ABOVE ARE PURELY FOR ILLUSTRATIVE PURPOSES ONLY. ALTHOUGH THE SHARE PURCHASE MANDATE WOULD AUTHORISE THE COMPANY TO PURCHASE OR ACQUIRE UP TO 10% OF THE ISSUED SHARES, THE COMPANY MAY NOT NECESSARILY PURCHASE OR ACQUIRE OR BE ABLE TO PURCHASE OR ACQUIRE THE ENTIRE 10% OF THE ISSUED SHARES. IN PARTICULAR, THE MAXIMUM NUMBER OF SHARES THAT THE COMPANY MAY PURCHASE UNDER THE SHARE PURCHASE MANDATE IS LIMITED TO THE EXTENT THAT THE COMPANY WILL REMAIN SOLVENT. THE DIRECTORS DO NOT INTEND TO EXERCISE THE PROPOSED SHARE PURCHASE MANDATE UP TO THE MAXIMUM LIMIT IF SUCH EXERCISE WOULD MATERIALLY AND ADVERSELY AFFECT THE FINANCIAL POSITION OF THE GROUP.

- 4.6.7 For illustrative purposes, it has been assumed that the purchases or acquisitions of Shares are financed solely by internal resources and in the event that there is a shortfall, the purchases and acquisitions are to be financed by long-term borrowings. Where the purchase or acquisition of Shares is financed through external borrowings or financing, there would also be an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the

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Group and the Company, with the actual impact dependent on, *inter alia*, the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

4.6.8 **Shareholders should note that the financial effects set out above are for illustration purposes only (based on the aforementioned assumptions). The actual impact will depend on, *inter alia*, the number and price of the Shares purchased or acquired (if any). In particular, Shareholders should note that the above analysis is based on the audited financial statements of the Group for the reporting year ended 31 December 2019 and is not necessarily representative of future financial performance.**

4.6.9 The Company may take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution.

4.7 Taxation

Shareholders who are in any doubt as to their respective tax positions or the tax implications of Share Purchases by the Company, or who may be subject to tax whether inside or outside of Singapore, should consult their own professional advisers.

4.8 Requirements in the Listing Manual

4.8.1 The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (i) in the case of a Market Purchase, on the market day following the day on which the Market Purchase was effected, and (ii) in the case of an Off-Market Purchase, on the second market day after the close of acceptances of the offer. The notification of such purchases or acquisitions to the SGX-ST shall be in such form, and shall include such details, as may be prescribed by the SGX-ST in the Listing Manual.

4.8.2 The Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time(s). However, as the Company would be regarded as an insider in relation to any proposed purchase or acquisition of its shares, it will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate in the following circumstances:

(a) at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of a decision of the Board until the price-sensitive information has been publicly announced; and

(b) in the case of Market Purchases:

(i) during the period commencing two weeks before the announcement of the Company's financial results for each of the first three quarters; and

(ii) during the period commencing one month immediately before the announcement of the Company's full-year results and the period of two weeks before the announcement of the Company's half-year results.

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- 4.8.3 The Listing Manual requires a company to ensure that at least 10% of equity securities (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is held by public shareholders. The “public”, as defined under the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company and its subsidiaries, as well as the associates of such persons.
- 4.8.4 As at the Latest Practicable Date, there are approximately 108,181,878 Shares in the hands of the public, representing approximately 68.63% of the issued Shares of the Company (excluding Treasury Shares). Accordingly, the Company is of the view that there is, at present, a sufficient number of Shares held by public shareholders which would permit it to undertake purchases and acquisitions of its Shares up to 10% of its issued Shares pursuant to the proposed Share Purchase Mandate, without adversely affecting the listing status of its Shares on the SGX-ST. The Directors will use their best efforts to ensure that the Company does not effect a Share Purchase if the Share Purchase will result in the number of Shares remaining in the hands of the public to fall to such a level as to cause market illiquidity and/or adversely affect the listing status of the Company on the SGX-ST.

4.9 Certain Take-Over Code Implications

4.9.1 Obligation to Make a Take-over Offer

Any resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following any purchase or acquisition of Shares by the Company, will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code (“**Rule 14**”). Consequently, depending on the number of Shares purchased or acquired by the Company and the number of issued Shares at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make a take-over offer under Rule 14.

4.9.2 Persons Acting in Concert

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

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

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and
- (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other.

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4.9.3 Effect of Rule 14 and Appendix 2

- (a) Under Appendix 2 of the Take-over Code, an increase of a Shareholder's proportionate interest in the voting rights of the Company resulting from a purchase or acquisition by the Company of its issued Shares will be treated as an acquisition for the purpose of Rule 14 of the Take-over Code.
- (b) Pursuant to Rule 14, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together hold between 30% and 50% of the Company's voting rights, increase their voting rights in the Company by more than 1% in any period of 6 months.
- (c) Persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons will be presumed to be acting in concert, namely (i) a company with any of its directors; and (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other. For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status. Consequently, a Shareholder and persons acting in concert (as defined in the Take-over Code) with him could, depending on the level of increase in his or their interest in the Company, become obliged to make a mandatory offer in accordance with Rule 14 as a result of the Company's purchase or acquisition of its issued Shares.
- (d) The effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Shareholders and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Shareholders and their concert parties would increase to 30% or more, or if the voting rights of such Shareholders and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Shareholders and their concert parties would increase by more than 1% in any period of 6 months.

Exemption from the requirement to make a general offer

- (a) As at the Latest Practicable Date, Mr Lee Sze Leong, a Director and Substantial Shareholder and his brother, Mr Lee Sze Siong, who is also a Director and Substantial Shareholder, and persons presumed to be parties acting in concert with them (the "**Concert Parties**"), including (i) their brother, Mr Lee Sze Hao, a Substantial Shareholder and (ii) F.H. Lee Holdings (Pte) Limited, an investment holding company controlled by Mr Lee Sze Leong, Mr Lee Sze Siong and Mr Lee Sze Hao as well as a Substantial Shareholder, together hold approximately 31.14% of the issued Shares of the Company (excluding treasury shares) as set out below in paragraph 5.

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- (b) Purely for illustrative purposes, on the basis of 157,625,764 issued Shares as at the Latest Practicable Date (excluding Treasury Shares), and assuming that no further Shares are issued on or prior to the AGM, not more than 15,762,576 Shares (representing 10% of the issued Shares as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate, if so approved by Shareholders at the AGM, the shareholdings and voting rights of Mr Lee Sze Leong and Mr Lee Sze Siong and their Concert Parties will increase from 31.14% to 34.61%. Under the Take-over Code, in the event that the aggregate shareholding and voting rights of Mr Lee Sze Leong and Mr Lee Sze Siong and their Concert Parties increases by more than 1% within a 6-month period as a result of the Company's Share Purchases, they will be required to make a general offer to the other Shareholders under Rule 14.1(b).

Under Appendix 2 Share Buy-back Guidance Note of the Take-Over Code, Mr Lee Sze Leong and Mr Lee Sze Siong and their Concert Parties are exempted from having to make an offer under Rule 14 of the Take-Over Code for the Shares by reason only of an increase in their voting rights as a result of the Company purchasing or acquiring up to the maximum of 10% of the issued share capital of the Company pursuant to the Share Purchase Mandate, subject to the following conditions:

- (i) this Letter contains advice to the effect that by voting for the Share Purchase Mandate, the Shareholders are waiving their rights to a general offer at the required price from Mr Lee Sze Leong and Mr Lee Sze Siong and their Concert Parties (who may as a result of the Company's purchase of acquisition of the its Shares increase their voting rights by more than 1% in any 6-month period). The Letter should also contain: (I) the names of Mr Lee Sze Leong and Mr Lee Sze Siong and their Concert Parties; and (II) their voting rights as at the time of the resolutions and after the Company's Share Purchases;
- (ii) the resolution to adopt the Share Purchase Mandate is approved by a majority of the Shareholders present and voting at the AGM on a poll who would not become obliged to make an offer as a result of the Company's purchase and acquisition of its Shares;
- (iii) Mr Lee Sze Leong and Mr Lee Sze Siong and their Concert Parties, abstain from voting for, and recommending Shareholders to vote in favour of, the resolution on the adoption of the Share Purchase Mandate;
- (iv) within 7 days of the passing of the resolution approving the adoption of the Share Purchase Mandate, each of the Directors to submit to the Securities Industry Council (the "SIC") a duly signed form as prescribed by the SIC; and

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- (v) Mr Lee Sze Leong and Mr Lee Sze Siong and their Concert Parties, have not acquired and will not acquire any Shares between the date on which they know that the announcement of the Share Purchase Mandate is imminent and the earlier of:
- I. the date on which the authority of the Share Purchase Mandate expires; and
 - II. the date the Company announces it has bought back such number of Shares as authorised by the Share Purchase Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the Company's purchase and acquisition of its Shares, would cause their aggregate voting rights in the Company to increase by more than 1% in any 6-month period.

If the Company ceases to buy back its Shares and the increase in the aggregate voting rights held by Mr Lee Sze Leong and Mr Lee Sze Siong and their Concert Parties, are less than 1% in any 6-month period, Mr Lee Sze Leong and Mr Lee Sze Siong and their Concert Parties, may acquire further voting rights in the Company. However, any increase in their percentage of voting rights in the Company as a result of the Company's Share Purchases will be taken into account together with any voting rights acquired by Mr Lee Sze Leong and Mr Lee Sze Siong and their Concert Parties (by whatever means), in determining whether they have increased their aggregate voting rights in the Company by more than 1% in any 6-month period.

- 4.9.4 **It should, therefore, be noted that approving the Share Purchase Mandate will constitute a waiver by the Shareholders in respect of their right to a general offer by Mr Lee Sze Leong and Mr Lee Sze Siong and their Concert Parties, at the required price, if the Company's Share Purchases results in the aggregate shareholding of Mr Lee Sze Leong and Mr Lee Sze Siong and their Concert Parties, to increase by 1% or more in any 6-month period. The voting rights of Mr Lee Sze Leong and Mr Lee Sze Siong and Concert Parties, as at the Latest Practicable Date and in the event of the Company's Share Purchases up to the maximum of 10% of the issued share capital of the Company (excluding Shares held as treasury shares) as permitted by the Share Purchase Mandate set out above in this Letter.**

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

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4.9.5 Shareholders who are in doubt as to their obligations, if any, to make a mandatory takeover offer under the Take-over Code as a result of Share Purchases by the Company are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity.

4.9.6 Advice to Shareholders

The statements in this Letter do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their professional advisers, the Securities Industry Council or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any purchase or acquisition of Shares by the Company.

5 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS AND SHAREHOLDING STRUCTURE OF THE COMPANY

5.1 The interests of the Directors and the Substantial Shareholders in the share capital of the Company as at the Latest Practicable Date based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders are set out below:

| | Direct Interest | | Deemed Interest | | Total Interest | |
|--|------------------|---------------------------------|------------------|---------------------------------|------------------|---------------------------------|
| | Number of Shares | Shareholding (%) ⁽¹⁾ | Number of Shares | Shareholding (%) ⁽¹⁾ | Number of Shares | Shareholding (%) ⁽¹⁾ |
| Director(s) | | | | | | |
| Mr Lee Sze Leong ⁽²⁾ | 619,631 | 0.39 | 47,179,050 | 29.93 | 47,798,681 | 30.32 |
| Mr Lee Sze Siong ⁽³⁾ | 651,142 | 0.41 | 47,179,050 | 29.93 | 47,830,192 | 30.34 |
| Mr Ng Tat Pun | – | – | – | – | – | – |
| Mr Chee Jin Kiong | – | – | – | – | – | – |
| Mr Lau Hwai Keong Michael | – | – | – | – | – | – |
| Mr Toh Kian Leong Joseph | – | – | – | – | – | – |
| Substantial Shareholder(s) | | | | | | |
| F.H. Lee Holdings (Pte) Limited ⁽⁴⁾ | 44,334,150 | 28.13 | 2,844,900 | 1.80 | 47,179,050 | 29.93 |
| Mr Lee Sze Hao ⁽⁵⁾ | 644,763 | 0.41 | 47,179,050 | 29.93 | 47,823,813 | 30.34 |

Notes:

- (1) Calculated based on 157,625,764 issued shares in the capital of the Company.
- (2) Mr Lee Sze Leong is deemed to be interested in 44,334,150 shares held by F.H. Lee Holdings (Pte) Limited and 2,844,900 shares held by Sing Holdings Limited.
- (3) Mr Lee Sze Siong is deemed to be interested in 44,334,150 shares held by F.H. Lee Holdings (Pte) Limited and 2,844,900 shares held by Sing Holdings Limited.
- (4) F.H. Lee Holdings (Pte) Limited is deemed to be interested in 2,844,900 shares held by Sing Holdings Limited.
- (5) Mr Lee Sze Hao is deemed to be interested in 44,334,150 shares held by F.H. Lee Holdings (Pte) Limited and 2,844,900 shares held by Sing Holdings Limited.

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- 5.2 All the Directors are eligible to participate in, and are therefore interested in, the PSP. Save as disclosed in this Letter, none of the Directors and Substantial Shareholders has any interest, direct or indirect, in the proposed adoption of the PSP, the proposed participation of Mr Lee Sze Leong in the PSP, the proposed participation of Mr Lee Sze Siong in the PSP and the proposed adoption of the Share Purchase Mandate other than through their respective shareholdings (if any) in the Company.

6 DIRECTORS' RECOMMENDATION

6.1 The Proposed Adoption of the PSP

In respect of the proposed adoption of the PSP (Ordinary Resolution 8), all Directors of the Company are eligible to participate in the PSP and are interested in the PSP. They have accordingly abstained from making any recommendation in respect of the Ordinary Resolution 8 on the proposed adoption of the PSP.

6.2 The Proposed Participation by Mr Lee Sze Leong and Mr Lee Sze Siong as Controlling Shareholders of the Company in the PSP

In respect of the proposed participation by Mr Lee Sze Leong and Mr Lee Sze Siong as Controlling Shareholders in the PSP (Ordinary Resolutions 9 and 10 respectively), due to the interest of Mr Lee Sze Leong and Mr Lee Sze Siong in their proposed participation in the PSP, both Mr Lee Sze Leong and Mr Lee Sze Siong have abstained from making any recommendation to Shareholders in respect of the Ordinary Resolutions 9 and 10 relating to the above to be proposed at the AGM.

Other than Mr Lee Sze Leong and Mr Lee Sze Siong, the Directors are of the opinion that the proposed participation by Mr Lee Sze Leong and Mr Lee Sze Siong in the PSP is in the best interests of the Company. Accordingly, the Directors (other than Mr Lee Sze Leong and Mr Lee Sze Siong) recommend that Shareholders vote in favour of Ordinary Resolutions 9 and 10 at the AGM.

6.3 The Proposed Adoption of the Share Purchase Mandate

Mr Lee Sze Leong and Mr Lee Sze Siong shall abstain from making any recommendations in relation to the proposed adoption of the Share Purchase Mandate (Ordinary Resolution 11) in accordance with Appendix 2 Share Buy-back Guidance Note of the Take-Over Code.

After having considered, amongst other things, the rationale for the proposed Share Purchase Mandate, the Directors (excluding Mr Lee Sze Leong and Mr Lee Sze Siong) are of the view that the proposed Share Purchase Mandate is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the Ordinary Resolution 11 at the AGM.

7 ANNUAL GENERAL MEETING

The AGM, notice of which has been uploaded on SGXNet and may be accessed at the URL <https://www.sif.com.sg/annual-general-meeting.php>, will be held by way of electronic means on 20 May 2020 at 10 a.m. (or any adjournment thereof), for the purposes of considering and, if thought fit, passing with or without modification the resolutions set out in the Notice of AGM.

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8 ACTION TO BE TAKEN BY THE SHAREHOLDERS

- 8.1 Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the AGM. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the AGM by (a) watching the AGM proceedings via “live” webcast or listening to the AGM proceedings via “live” audio feed, (b) submitting questions in advance of the AGM and/or (c) voting by proxy at the AGM.
- 8.2 Shareholders should refer to the Company’s Notice of AGM dated 28 April 2020 which has been uploaded together with this Letter on SGXNet for further information, including the steps to be taken by Shareholders to participate at the AGM. Such announcement may also be accessed at the URL <https://www.sif.com.sg/annual-general-meeting.php>.

9 ABSTENTION FROM VOTING

- 9.1 The Company will ensure that Shareholders who will be entitled to participate in the PSP will abstain from voting at the AGM in respect of Ordinary Resolution 8 relating to the proposed adoption of the PSP.
- 9.2 Shareholders who will be entitled to participate in the PSP should abstain from voting at the AGM in respect of Ordinary Resolution 8 in relation to the proposed adoption of the PSP. Such Shareholders should not accept appointments as proxies or otherwise for voting at the AGM in respect of the Ordinary Resolution 8 unless specific instructions have been given in the proxy form on how the votes are to be cast for Ordinary Resolution 8 to be proposed at the AGM.
- 9.3 All the Directors are eligible to participate in the PSP. Therefore, the Directors (who are also Shareholders) shall also abstain and shall procure his or her Associates to abstain from voting at the AGM in respect of Ordinary Resolution 8 in relation to the proposed adoption of the PSP. Such Directors will not accept appointments as proxies or otherwise for voting at the AGM in respect of the Ordinary Resolution 8 unless specific instructions have been given in the proxy form on how the votes are to be cast for Ordinary Resolution 8 to be proposed at the AGM.
- 9.4 Mr Lee Sze Leong and Mr Lee Sze Siong, will abstain from voting at the AGM on the Ordinary Resolution 9 and Ordinary Resolution 10 respectively relating to their respective participation in the PSP and will also decline to accept appointment as proxies or otherwise for voting at the AGM in respect of Ordinary Resolution 9 and Ordinary Resolution 10 unless specific instructions have been given in the proxy form on how the votes are to be cast for Ordinary Resolution 9 and Ordinary Resolution 10 to be proposed at the AGM.
- 9.5 Pursuant to Appendix 2 Share Buy-back Guidance Note of the Take-Over Code, Mr Lee Sze Leong and Mr Lee Sze Siong and their Concert Parties, will abstain from voting at the AGM on the Ordinary Resolution 11 relating to the adoption of the Share Purchase Mandate and will also decline to accept appointment as proxies or otherwise for voting at the AGM in respect of Ordinary Resolution 11 unless specific instructions have been given in the proxy form on how the votes are to be cast for Ordinary Resolution 11 to be proposed at the AGM.

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10 DIRECTORS' RESPONSIBILITY STATEMENT

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

11 DISCLOSURE PURSUANT TO RULE 704(16)(B) OF THE LISTING MANUAL

Pursuant to Rule 704(16)(b), the Company shall, in the results of AGM announcement, indicate the names of the directors, controlling shareholders and the associates of such persons who are required to abstain from voting on the resolutions pursuant to Listing Rule 859, the individual resolutions which they are required to abstain from voting and the number of shares held by each of them.

12 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 96 Robinson Road #01-01 SIF Building Singapore 068899 during normal business hours from the date of this Letter up to and including the time and date of the AGM:

- (a) the Constitution;
- (b) the Rules of the proposed PSP; and
- (c) the annual report of the Company for FY2019.

Yours faithfully

For and on behalf of the Board of Directors of
SING INVESTMENTS & FINANCE LIMITED

Ng Tat Pun
Chairman

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RULES OF THE SING INVESTMENTS & FINANCE PERFORMANCE SHARE PLAN 2020

1. SING INVESTMENTS & FINANCE PERFORMANCE SHARE PLAN 2020

The Sing Investments & Finance Performance Share Plan 2020 shall mean the performance share plan herein, as modified or altered from time to time and shall be referred to as the “PSP”.

2. DEFINITIONS

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

- “Associate”** : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Auditors”** : The auditors of the Company for the time being
- “Award”** : A contingent award of Shares granted under the PSP
- “Board”** : The board of Directors from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Committee”** : The Remuneration Committee of the Company, or such other committee comprising Directors duly authorised and appointed by the Board to administer the PSP from time to time

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|-----------------------------------|---|---|
| “Constitution” | : | The Constitution of the Company, as amended or modified from time to time |
| “Company” | : | Sing Investments & Finance Limited |
| “Companies Act” | : | Companies Act (Cap. 50) of Singapore, as amended, modified or supplemented from time to time |
| “Control” | : | The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company |
| “Controlling Shareholder” | : | A person who: (i) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares, or (ii) who in fact exercises Control over the Company |
| “CPF” | : | Central Provident Fund |
| “Director” | : | A director of the Company from time to time |
| “Financial Year” | : | Financial year of the Company ended or ending 31 December (as the case may be) |
| “Group” | : | The Company and its subsidiaries |
| “Group Employee” | : | Any confirmed employee of the Group (including any Group Executive Director) selected by the Committee to participate in the PSP in accordance with the rules thereof |
| “Group Executive Director” | : | A director of the Company and/or its subsidiaries, as the case may be, who is a Group Employee and performs an executive function |
| “Independent Shareholders” | : | Shareholders other than Shareholders who are Participants and Shareholders who are Associates of the Participants |
| “Listing Manual” | : | The listing manual of the SGX-ST as amended, modified or supplemented from time to time |
| “Market Day” | : | A day on which the SGX-ST is open for the trading of securities |

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| <i>“Non-Executive Director”</i> | : | A Director who is not a Group Employee and who does not perform an executive function in the Group, including an independent Director |
| <i>“Offer Date”</i> | : | The date on which an offer to grant an Award is made |
| <i>“Participant”</i> | : | A person who is selected by the Committee to participate in the PSP in accordance with the rules thereof |
| <i>“Performance Period”</i> | : | The performance period during which the Performance Target shall be satisfied, if any |
| <i>“Performance Target”</i> | : | The performance target prescribed by the Committee to be fulfilled by a Participant for any particular Performance Period under the PSP, if any |
| <i>“PSP”</i> | : | The Sing Investment and Finance Performance Share Plan set out herein, as modified or altered from time to time |
| <i>“Record Date”</i> | : | The date as at the close of business on which Shareholders of the Company must be registered in order to participate in any dividends, rights, allotments or other distributions (as the case may be) |
| <i>“Rules”</i> | : | The rules of the PSP, as the same may be amended from time to time |
| <i>“Securities Account”</i> | : | A securities account maintained by a Depositor with CDP but not including a securities sub-account maintained with a Depository Agent |
| <i>“SGX-ST”</i> | : | Singapore Exchange Securities Trading Limited |
| <i>“Shareholders”</i> | : | The registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with those Shares |
| <i>“Shares”</i> | : | Issued and paid-up ordinary shares in the capital of the Company |

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- “Substantial Shareholder”** : A person (including a corporation) who has an interest in not less than 5% of the total issued Shares excluding treasury shares
- “Vesting Period”** : In relation to an Award, a period or periods, the duration of which is to be determined by the Committee at the date of the grant of the Award
- “Vesting Schedule”** : In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be released on the Performance Target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period
- “%” or “per cent.”** : Per centum or percentage
- 2.2 The terms **“Depositor”** and **“Depository Register”** and **“Depository Agent”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.
- 2.3 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.
- 2.4 Any reference in this PSP to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual or any modification thereof and used in this PSP shall have the same meaning assigned to it under the Companies Act, the Listing Manual or any modification thereof, as the case may be.
- 2.5 Any reference to a time of day in this PSP shall be a reference to Singapore time unless otherwise stated.
- 2.6 The headings in this PSP are inserted for convenience only and shall be ignored in construing this PSP.

3. OBJECTIVES OF THE PSP

The objectives of the PSP are as follows:

- (a) to recognise and reward past contributions and services;
- (b) to motivate Participants to continue performing and out-perform their standards and efficiency and to maintain a high level of contribution to the Group;
- (c) to retain key Group Employees whose contributions are important to the long-term growth and success of the Group;
- (d) to attract potential employees with relevant skills and talents necessary to enhance the Group’s business; and
- (e) to align the interests of the Participants with the interests of Shareholders.

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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 PSP:

- (a) Group Employees;
- (b) Group Executive Directors; and
- (c) Non-Executive Directors who, in the opinion of the Committee, have contributed or will contribute to the success of the Group,

provided that, as of the Offer Date, such persons:

- (i) have attained the age of 21 years;
- (ii) are not undischarged bankrupts; and
- (iii) have not entered into any compositions with their respective creditors.

4.2 Subject to the absolute discretion of the Committee, Controlling Shareholders and their Associates who meet the criteria as set out in Rule 4.1 above are eligible to participate in the PSP, provided that:

- (a) the participation of each Controlling Shareholder or his Associate prior to the first grant of an Award to him is specifically approved by Independent Shareholders in a general meeting of the Company by a separate resolution; and
- (b) each grant of an Award, including the actual number and terms of the Award to be granted to each Controlling Shareholder or his Associate may only be effected with the specific prior approval of Independent Shareholders in a general meeting of the Company by a separate resolution.

The Company will at such time provide the rationale and justification for any proposal to grant any Award to a Controlling Shareholder or his Associate.

4.3 Any Director who is a member of the Committee shall not be involved in the Committee's deliberations and decisions in respect of Awards to be granted to or held by that Director or his Associate.

4.4 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.

4.5 Subject to the Companies 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 PSP may be amended from time to time at the absolute discretion of the Committee.

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5. LIMITATIONS UNDER THE PSP

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

- (a) all Awards granted under the PSP; and
- (b) all Shares, options or awards granted under any other share option or share scheme of the Company then in force,

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

5.2 The following additional limits must not be exceeded:

- (a) the aggregate number of Shares over which Awards may be granted under the PSP to Controlling Shareholders and their Associates must not exceed 25% of the Shares available under the PSP; and
- (b) the number of Shares over which an Award may be granted under the PSP to each Controlling Shareholder or his Associate must not exceed 10% of the Shares available under the PSP.

5.3 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the PSP.

6. GRANT OF AWARDS

6.1 Subject to Rule 4 and Rule 5, the Committee may, in its absolute discretion, grant Awards at any time during the period when the PSP is in force, provided that no grant of Awards shall be made:

- (a) during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its Financial Year; and
- (b) during the period one month before the announcement of the Company's full year financial statements (if required to announce quarterly financial statements), or one month before the announcement of the Company's half year and full year financial statements (if not required to announce quarterly financial statements),

and 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 released.

6.2 Subject to Rule 4 and Rule 5, the number of Shares which are the subject of each Award to be granted to a Participant under the PSP shall be determined at the absolute discretion of the Committee, which shall take into consideration, where applicable, factors such as:

- (a) the Participant's rank;
- (b) the Participant's scope of responsibilities;

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- (c) the Participant's past performance;
- (d) the Participant's length of service;
- (e) the Participant's contribution to the success and development of the Group;
- (f) the Participant's potential for future development; and
- (g) the prevailing market and economic conditions.

The Committee may, in its absolute discretion, elect to grant Awards to selected Participants as a form of payment or part payment of their bonuses.

6.3 The Committee shall, in its absolute discretion, determine in relation to an Award:

- (a) the Participant;
- (b) the Offer Date;
- (c) the number of Shares which are the subject of the Award;
- (d) the Performance Target for the Participant (if any);
- (e) the Performance Period for the Participant (if any);
- (f) the Vesting Schedule (if any); and
- (g) any other condition which the Committee may decide in relation to that Award.

Upon its decision to grant the Award, the Committee shall as soon as practicable send to the Participant an Award letter confirming such Award and specifying the above.

6.4 The Committee may amend or waive the Performance Period, the Performance Target(s) and/or the Vesting Schedule (if any) in respect of any Award:

- (a) in the event of a take-over offer being made for the Shares or if under the Companies 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 in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company; or
- (b) if anything happens which causes the Committee to conclude that:
 - (i) a changed Performance Target(s) and/or Vesting Schedule would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (ii) a Performance Target(s) and/or Vesting Schedule should be changed or waived,

and shall notify the Participants of such change or waiver. Any such modification, alteration or waiver is not a modification of the rules of the PSP for the purposes of Rule 13.

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- 6.5 An Award is personal to the Participant to whom it is given and shall not, prior to the allotment and issue or transfer to the Participant of the Shares comprised in the Award, be transferred (other than to a Participant's personal representative on the death of the Participant), charged, assigned, pledged or otherwise disposed of, unless with the prior approval of the Committee. If a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award without the prior approval of the Committee, that Award shall immediately lapse.
- 6.6 The Company will make an immediate announcement upon any grant of Awards and including therein such information as required under Rule 704(32) of the Listing Manual.
- 6.7 Participants are not required to pay for the grant of Awards. Award(s) represent the right of a Participant to whom the Award is granted to receive fully paid Shares free of charge, upon him achieving the Performance Target, if any, or upon the fulfilment of the conditions specified for the vesting of, and release of the Shares comprised in the Awards.

7. VESTING OF AWARDS

- 7.1 Subject to Rule 7 and Rule 9 herein, Awards shall vest and the Committee shall release to the Participant, Shares comprised in the Award upon the fulfilment of the conditions specified for the vesting of, and release of the Shares comprised in the Award.
- 7.2 Awards which are subject to the Participant achieving specified Performance Target may only be vested, and consequently any Shares comprised in such Awards shall only be delivered, upon the Committee being satisfied at its absolute discretion, that the Performance Target has been satisfied and the extent to which they have been satisfied (whether fully or partially), or upon the Committee waiving such Performance Target, as the case may be. In cases of partial satisfaction, the Committee may determine the extent to which an Award may vest and the number of Shares comprised in that Award to be released. If the Committee determines in its sole discretion that the Performance Target has not been satisfied in full, and that such Award should accordingly not vest in a Participant, in whole or in part, to the extent that such Award or part thereof has not vested, it shall lapse and be of no effect.
- 7.3 An Award shall, to the extent not yet released, immediately lapse without any claim whatsoever against the Company and/or the Group, in the event of:
- (a) the decision of the Committee, acting in good faith and on fair and reasonable grounds, to revoke or annul such Award;
 - (b) the cessation of employment of a Participant with the Group for any reason whatsoever, subject to Rule 7.4 and Rule 7.5;
 - (c) the bankruptcy of a Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of an Award; or
 - (d) the misconduct of a Participant as determined by the Committee at its sole and absolute discretion.
- 7.4 For the purpose of Rule 7.3(b), the Participant shall be deemed to have ceased employment as of the date the notice of termination of employment is tendered by or is given to him, unless such notice is withdrawn prior to its effective date. Further, the transfer of employment of a Participant between the Group shall not be regarded as his employment having ceased by reason only of such transfer.

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7.5 In any of the following events, namely:

- (a) where the Participant ceases to be in the employment of the Group by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee;
 - (v) the subsidiary by which he is 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
 - (vi) the termination of his employment by the Company or other relevant company in the Group for reason other than due to the Participant's act of gross or wilful misconduct or the Participant's material breach of his service or employment contract, confidentiality obligation, policies or code of business conduct or other written policies practices or procedures of the Group; or
- (b) in any other event (including any other reason for the cessation of employment) approved in writing by the Committee,

then the Committee may, acting in good faith and on a fair and reasonable basis preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the PSP. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including but not limited to, the contributions made by that Participant and the extent to which the conditions specified for the vesting of, and release of the Shares comprised in the Award have been satisfied.

7.6 For the avoidance of doubt, the Shares comprised in an Award shall nevertheless be released to a Participant as long as he has fulfilled the conditions for the vesting of, and release of the Shares comprised in the Award.

7.7 If a Participant has fulfilled the conditions specified for the vesting of, and release of the Shares comprised in an Award but dies before the Shares under the Award are released, the Shares under the Award shall in such circumstances be given to the personal representatives of the Participant.

8. RELEASE OF AWARDS

8.1 Subject to:

- (a) 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 (including any approvals required from the SGX-ST); and
- (b) compliance with the Rules and the Constitution of the Company,

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the Company shall as soon as practicable but in any event within 1 month (or such other period as may be permitted by the Listing Manual) after the vesting of an Award in accordance with Rule 7, allot and issue the relevant Shares comprised in the Award and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit. Any proposed issue of new Shares will be subject to there being in force at the relevant time the requisite Shareholders' approval under the Companies Act for the issue of Shares. Any allotment of new Shares pursuant to an Award will take into account the rounding of odd lots.

- 8.2 Where new Shares are to be allotted upon the vesting of any Award, 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.
- 8.3 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.
- 8.4 Shares issued and allotted upon the vesting of an Award shall be subject to all the provisions of the Companies Act and the Constitution of the Company (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Shares, including those rights which arise from a liquidation of the Company), and shall rank *pari passu* in all respects with the then existing issued Shares except for any dividend, right, allotment or other distribution, the Record Date for which being prior to the relevant vesting date of the Award.
- 8.5 Except as set out in Rule 8.1 and subject to Rule 10, an Award does not confer on a Participant any right to participate in any new/further issue of Shares.
- 8.6 The Company shall keep available sufficient unissued Shares to satisfy the delivery of the Shares pursuant to vesting of the Awards.
- 8.7 Notwithstanding any other Rule of this PSP to the contrary, and notwithstanding references to subscription, issue and allotment of Shares or new Shares, the Company reserves to itself the right to deliver treasury shares in lieu of new Shares to Participants upon vesting of their Awards.

9. TAKE-OVER AND WINDING UP OF THE COMPANY

- 9.1 Notwithstanding Rule 7 but subject to Rule 9.5, in the event of a take-over being made for the Shares, a Participant shall (notwithstanding that the Vesting Period for the Award has not expired) be entitled to the Shares under the Awards if he has met the conditions specified for the vesting of, and release of Shares comprised in the Award 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 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 (if so required) the SGX-ST and the Securities Industry Council, such expiry date is extended to a later date being a date falling not later than the expiry of the Vesting Period during which the conditions for the vesting of, and release of the Shares comprised in the Award are to be fulfilled; or

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- (b) the date of expiry of the Vesting Period during which the conditions for the vesting of, and release of the Shares comprised in the Award are to be fulfilled.

Provided always that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under any relevant regulatory provisions or legislation and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Participant shall be obliged to fulfil the conditions for the vesting of, and release of the Shares comprised in the Award before the expiry of such specified date or the expiry date of the Vesting Period relating thereto, whichever is earlier, before an Award can be vested.

For the avoidance of doubt, the vesting of such Awards will not be affected by the take-over offer and the provisions of this Rule 9.1 shall not come into operation in the event that a take-over offer which is conditional does not or is not declared unconditional.

- 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 the conditions specified for the vesting of, and release of Shares comprised in the Award shall be entitled, notwithstanding the provisions under this Rule 9 but subject to Rule 9.5, to any Shares under the Awards so determined by the Committee to be vested and released to him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later.

If under any relevant regulatory provisions or legislation, the relevant authority issues a notice of amalgamation, for the purposes of, or in connection with the amalgamation of the Company with another company or companies, each Participant who has fulfilled the conditions for the vesting of, and release of the Shares comprised in his Award shall be entitled, notwithstanding Rule 9 and the non-expiry of the Vesting Period for the Award but subject to Rule 9.5, to any Awards so determined by the Committee to be vested in him during the period commencing on the date upon which the notice of amalgamation is issued by the relevant authority and ending either on the expiry of 60 days thereafter or the date upon which the amalgamation 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 Shares may have been vested in the Participants but not released, 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 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 conditions specified for the vesting of, and release of Shares comprised in the Award 2 business days prior to the proposed general meeting of the Company.
- 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 release of Shares under the Award shall be made in such circumstances.

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- 9.6 Notwithstanding anything in these Rules, the Committee may waive the full compliance of the conditions for the vesting of, and release of the Shares comprised in the Award on the part of the Participant upon the occurrence of any of the events provided in this Rule 9. As soon as reasonably practicable following any such event, the Committee may, acting in good faith and on fair and reasonable grounds, decide to vest some or all of the Shares which are the subject of any Award. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the conditions specified for the vesting of, and release of the Shares comprised in the Award, have been satisfied.

10. ADJUSTMENT EVENTS

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

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

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

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

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (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 (including any renewal of such mandate) is in force;
- (c) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees (including Group Executive Directors and Group Employees) or Non-Executive Directors pursuant to a purchase or an option scheme approved by Shareholders in general meeting of the Company, including the PSP or any other share-based incentive schemes implemented by the Company;
- (d) an issue of Shares or securities convertible into, or with rights to acquire or subscribe for Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business; and
- (e) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

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10.3 Notwithstanding the provisions of Rule 10.1 above:

- (a) no such adjustment shall be made:
 - (i) if as a result, the Participant receives a benefit that a Shareholder does not receive; and
 - (ii) if as a result, such adjustment will result in the number of Shares comprised in an Award, together with new Shares to be issued or issuable under the PSP and any other share-based incentive schemes, to exceed 15% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) for the time being; 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 capitalization issue) be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

10.4 The restriction on the number of Shares to be offered to any Grantee under Rule 5 of the PSP above, shall not apply to the number of additional Shares or Awards over additional Shares issued by virtue of any adjustment to the number of Shares and/or Awards pursuant to this Rule 10.

10.5 Upon any adjustment required to be made pursuant to this Rule 10, the Company shall notify the Participant (or his duly appointed personal representatives as the case may be) in writing and deliver to him (or his duly appointed personal representatives as the case may be) a statement setting forth the class and/or number of Shares thereafter to be issued pursuant to the grant of an Award. Any adjustment shall take effect upon such written notification being given.

11. ADMINISTRATION OF THE PSP

11.1 The PSP shall be administered by the Committee duly authorised and appointed by the Board, 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 or his Associate.

11.2 All determinations or actions of the Committee with respect to the interpretation and/or implementation of the PSP shall be decided by the affirmative vote of the majority of the members of the Committee who are not disqualified from participating by virtue of Rule 11.1 or by way of a written instrument signed by the majority of the members of the Committee who are not disqualified from participating by virtue of Rule 11.1. In the event of a tie, the chairman of the Committee shall have a second or casting vote.

11.3 The Committee shall have the power, from time to time, to make and vary such rules (not being inconsistent with the PSP) for the implementation and administration of the PSP to give effect to the provisions of the PSP and/or to enhance the benefit of the Awards to the Participants, as they may, in their absolute discretion, think fit including, but not limited to:

- (a) imposing restrictions on the number of Awards that may be vested within each Financial Year;

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- (b) amending Performance Target(s) if by so doing, it would be a fairer measure of performance for a Participant or for the PSP as a whole.

Any matter pertaining or pursuant to the PSP and any dispute and uncertainty as to the interpretation of the PSP, any rule, regulation or procedure thereunder or any rights under the PSP shall be determined by the Committee. The decision of the Committee in relation to the same shall be final, binding and conclusive.

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

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

- 11.5 Any decision of the Committee made pursuant to any provision of the PSP (other than a matter to be certified by the Auditors) shall be final, binding and conclusive, including but not limited to any decisions pertaining to the number of Shares to be vested, or to disputes as to the interpretation of the PSP or any rule, regulation, procedure thereunder or as to any rights under the PSP. The Committee shall not be required to furnish any reason for any decision or determination made by it.

12. NOTICES AND DISCLOSURE IN ANNUAL REPORT

- 12.1 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 address or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 12.2 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, electronic mail address or facsimile number according to the records of the Company or at the last known address, electronic mail address or facsimile number of the Participant or the address and place of business at which he performs the whole or substantially the whole of the duties of his office or employment and if sent by post, shall be deemed to have been given on the day following the date of posting.
- 12.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 12.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

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12.4 The following disclosures (as applicable) will be made by the Company in its annual report for so long as the PSP continues in operation:

- (a) the names of the members of the Committee administering the PSP;
- (b) the information required in the table below for the following Participants of the PSP:
 - (i) Directors of the Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Participants (other than those in paragraph (b)(i) and (ii) above) who have received Shares pursuant to the vesting of Awards granted under the PSP which, represent 5% or more of the total number of Shares available under the PSP:

| Name of Participant | Total number of Shares comprised in Awards granted during the Financial Year under review (including terms) | Aggregate number of Shares comprised in Awards granted since commencement of PSP to the end of the Financial Year under review | Aggregate number of Shares comprised in Awards released since the commencement of PSP to the end of the Financial Year under review | Aggregate number of Shares comprised in Awards which have not been released as at the end of the Financial Year under review |
|---------------------|---|--|---|--|
| | | | | |

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

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

13. MODIFICATIONS AND ALTERATIONS OF THE PSP

13.1 Subject to the Rules, any or all the provisions of the PSP may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:

- (a) any modification or alteration which shall alter adversely the rights attached to any Awards granted prior to such modification or alteration and which in the opinion of the Committee, materially alter the rights attaching to any Award(s) granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if their Awards were released to them in full, would thereby become entitled to not less than three-quarters in number of all the Shares which would be issued and allotted, as the case may be, upon the release of in full of all outstanding Awards;
- (b) any modification or alteration which would be to the advantage of Participants shall not be made except with the prior approval of the Shareholders in general meeting of the Company; and

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- (c) no modification or alteration shall be made except in compliance with the Listing Manual or the rules of such 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 adversely affect the rights attached to any Award shall be final, binding and conclusive.

For the avoidance of doubt, nothing in this Rule 13.1 shall affect the right of the Committee under any other provision of the PSP to adjust any Award.

- 13.2 Notwithstanding Rule 13.1, 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 PSP in any way to the extent necessary in the opinion of the Committee, to cause the PSP to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 13.3 Written notice of any modification or alteration made in accordance with this Rule 13 shall be given to all Participants.

14. TERMS OF EMPLOYMENT UNAFFECTED

The PSP or any Award shall not form part of any contract of employment between the Company or any subsidiary (as the case may be) and any Participant and the rights and obligations of any individual under the terms of office or employment with such company within the Group shall not be affected by his participation in the PSP or any right which he may have to participate in it or any rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

15. DURATION OF THE PSP

- 15.1 The PSP shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years from the date the PSP is adopted by Shareholders at a general meeting of the Company. Subject to compliance with any applicable laws and regulations in Singapore, the PSP may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution at a general meeting of the Company and any relevant authorities which may then be required.
- 15.2 The PSP may be terminated at any time by and at the discretion of the Committee or by ordinary resolution of Shareholders at a general meeting of the Company subject to all relevant approvals which may be required, and if the PSP is so terminated, no further Awards shall be offered by the Company hereunder.
- 15.3 The termination, discontinuance or expiry of the PSP shall not affect the validity of any Award(s) which have been made to Participants whether such Awards have been vested (fully or partially) or not.

16. TAXES

All taxes (including income tax) arising from the grant and/or release of any Awards to any Participant under the PSP shall be borne by that Participant.

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17. COSTS AND EXPENSES

- 17.1 Each Participant shall be responsible for all fees of CDP (if any) relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the release of any Awards in CDP's name, the deposit of share certificate(s) with CDP, the Participant's Securities Account with CDP, or the Participant's securities sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank and all taxes referred to in Rule 16 which shall be payable by the relevant Participant.
- 17.2 Save for the taxes referred to in Rule 16 and such other costs and expenses expressly provided in the PSP to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the PSP, 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.

18. 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 (including any interest arising thereof), whatsoever and howsoever arising in any matter under or in connection with the PSP, including but not limited to, the Company's delay or failure in allotting and issuing the Shares or procuring the transfer of the Shares or in applying for or procuring the listing of and quotation for the Shares allotted pursuant to the vesting of any Award on the SGX-ST or, if applicable, any other stock exchanges on which the Shares are quoted or listed.

19. 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.

20. CONDITION OF AWARD

Every Award shall be subject to the condition that no Shares would be issued or transferred pursuant to the vesting of any Award if such issue or transfer 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.

21. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the PSP must abstain from voting on any resolution relating to the PSP (including, where applicable, implementation of the PSP and participation by and grant of Awards to Controlling Shareholders and their Associates) and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

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22. GOVERNING LAW

The PSP 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 PSP, and the Company irrevocably submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

23. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, CHAPTER 53B

No person other than the Company or a Participant shall have any right to enforce any provision of the PSP or any Award by the virtue of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.