

CIRCULAR DATED 8 APRIL 2020

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

This Circular is issued by Frencken Group Limited (the “**Company**”). If you are in any doubt as to the contents of this Circular or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, financial, tax or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser, transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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



FRENCKEN GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.199905084D)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED ADOPTION OF THE FRENCKEN GROUP EMPLOYEE SHARE OPTION SCHEME 2020;**
- (2) THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS AT A DISCOUNT UNDER THE PROPOSED FRENCKEN GROUP EMPLOYEE SHARE OPTION SCHEME 2020; AND**
- (3) THE PROPOSED ADOPTION OF THE FRENCKEN GROUP EMPLOYEE SHARE AWARD SCHEME 2020**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	21 April 2020 at 3.30 p.m.
Date and time of Extraordinary General Meeting	:	23 April 2020 at 3.30 p.m. (or soon thereafter as the AGM of the Company convened on the same day and at the same place at 2.30 p.m. shall have concluded or shall have been adjourned)
Place of Extraordinary General Meeting	:	Mandarin Orchard Hotel Level 5, Main Tower, Grange Ballroom 333 Orchard Rd Singapore 238867

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

- “2008 ESOS”** : The Electrotech Investments Limited Employee Share Option Scheme 2008
- “2008 Options”** : Has the meaning ascribed to it in paragraph 2.1.2 of this Circular
- “2009 Options”** : Has the meaning ascribed to it in paragraph 2.1.2 of this Circular
- “2010 Options”** : Has the meaning ascribed to it in paragraph 2.1.2 of this Circular
- “2013 Options”** : Has the meaning ascribed to it in paragraph 2.1.2 of this Circular
- “2016 Options”** : Has the meaning ascribed to it in paragraph 2.1.2 of this Circular
- “2017 Options”** : Has the meaning ascribed to it in paragraph 2.1.2 of this Circular
- “2020 ESOS”** : The proposed Frencken Group Employee Share Option Scheme 2020, the terms of which are set out in **Annex A** to this Circular
- “AGM”** : The annual general meetings of the Company
- "Associate" or "Associates"** : (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 thirty per cent. (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 thirty per cent. (30%) or more
- "Associated Company" or "Associated Companies"** : A company in which at least 20% but no more than 50% of its shares are held by the Company or the Group
- “Award” or “Awards”** : A contingent award of Shares granted under the ESAS
- “Board”** : The board of Directors of the Company
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 8 April 2020

DEFINITIONS

"Committee"	:	The committee(s) comprising Directors and members of the Executive Committee duly authorised and appointed by the Board to administer the 2020 ESOS and/or the ESAS, depending on the context
"Companies Act"	:	The Companies Act (Cap. 50) of Singapore, as may be modified from time to time
"Company"	:	Frencken Group Limited
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly fifteen per cent. (15%) or more of the total voting rights in the Company (unless determined by SGX-ST that such person is not a controlling shareholder); or (b) in fact exercises control over the Company
"CPF"	:	Central Provident Fund
"Date of Grant"	:	The date on which an Option is granted to a Participant pursuant to the 2020 ESOS or the date on which an Award is granted to a Participant pursuant to the ESAS
"Directors"	:	The directors of the Company for the time being
"Directors' Report"	:	The directors' report provided in each annual report of the Company
"EPS"	:	Earnings per Share
"ESAS"	:	The proposed Frencken Group Employee Share Award Scheme 2020, the terms of which are set out in Annex B to this Circular
"EGM"	:	Extraordinary General Meeting of the Company to be held on 23 April 2020 at 3.30 p.m. (or soon thereafter as the AGM of the Company convened on the same day and at the same place at 2.30 p.m. shall have concluded or shall have been adjourned), the notice of which is set out in the Notice of EGM on pages N-1 to N-4 of this Circular
"Exchange" or "SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Executive Committee"	:	The executive committee established by the Board to support the Board in carrying out its responsibilities
"Executive Director"	:	A director of the Company and/or its subsidiaries, as the case may be, who performs an executive function within the Company or the relevant subsidiary, as the case may be
"Exercise Price"	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with rule 9 of the 2020 ESOS, as adjusted in accordance with rule 10 of the 2020 ESOS
"Financial Year"	:	Each period of 12 months or more or less than 12 months, at the end of which the balance of accounts of the Company are prepared and

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	audited, for the purpose of laying the same before an AGM of the Company
"Grantee"	: Depending on the context, a person to whom an offer of an Option or an Award is made
"Group"	: The Company and its subsidiaries
"Group Employees"	: An employee of the Group (including any Executive Director) selected by the Committee to participate in the 2020 ESOS or ESAS, in accordance with the provisions thereof
"immediate family"	: In relation to a person, means the person's spouse, child, adopted child, step-child, sibling and parent
"Latest Practicable Date"	: 13 March 2020, being the latest practicable date prior to the printing of this Circular
"Listing Manual"	: The listing manual of the Exchange, as may be amended or modified from time to time
"Market Day"	: A day on which the SGX-ST is open for securities trading
"Market Price"	: The average of the last dealt price for a Share determined by reference to the daily official list published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Offering Date provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
"New Shares"	: The new Shares which may be allotted and issued from time to time pursuant to the exercise of the Options granted under the 2020 ESOS or pursuant to the vesting of the Awards pursuant to the ESAS
"NTA"	: Net tangible assets
"Offering Date"	: The date on which an Option is granted pursuant to a letter of offer
"Option" or "Options"	: The right to acquire Shares granted or to be granted to a Group Employee pursuant to the 2020 ESOS and for the time being subsisting
"Participant"	: An eligible person selected by the Committees to participate in the 2020 ESOS or the ESAS in accordance with the rules thereof
"Proposals"	: Has the meaning ascribed to it in paragraph 1.1 of this Circular
"PDPA"	: Personal Data Protection Act 2012 (No. 26 of 2012) of Singapore
"Record Date"	: The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions or rights of holders of Shares

DEFINITIONS

“SFA”	:	The Securities and Futures Act (Cap. 289) of Singapore, as may be modified from time to time
“SFRS(I) 2”	:	Singapore Financial Reporting Standards (International) 2
“Shareholders”	:	Persons (other than The Central Depository (Pte) Limited) who are for the time being registered as holders of Shares in the Register of Members maintained by the Company and Depositors who have Shares entered against their names in the Depository Register
“Shares”	:	Ordinary shares in the share capital of the Company
“Substantial Shareholders”	:	A person who has an interest in the voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, represent not less than 5% of all the voting Shares of the Company
“S\$” and “cents”	:	Singapore dollars and cents respectively
“%”	:	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 term "**Subsidiary**" shall have the same meaning ascribed to it in Section 5 of the Companies Act.

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

Any reference in this Circular to any statute or enactment or the Listing Manual is a reference to that statute or enactment or the Listing Manual as for the time being amended or re-enacted.

Any word defined under the Companies Act, the SFA or the Listing Manual or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act, the SFA or the Listing Manual or any modification thereof, as the case may be, unless otherwise provided.

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

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

LETTER TO SHAREHOLDERS



FRENCKEN GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.199905084D)

Directors:

Dato' Gooi Soon Chai (Chairman; Non-Independent Non-Executive Director)
Mr. Mohamad Anwar Au (also known as Dennis Au) (President; Executive Director)
Mr. Chia Chor Leong (Independent Non-Executive Director)
Mr. Ling Yong Wah (Lead Independent Non-Executive Director)
Mr. Yeo Jau Nam (Independent Non-Executive Director)
Mr. Melvin Chan Wai Leong (Independent Non-Executive Director)

Registered Office:

80 Robinson Road
#02-00
Singapore 068898

8 April 2020

To: The Shareholders of Frencken Group Limited

Dear Sir/Madam

- (1) **THE PROPOSED ADOPTION OF THE FRENCKEN GROUP EMPLOYEE SHARE OPTION SCHEME 2020**
- (2) **THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS AT A DISCOUNT UNDER THE PROPOSED FRENCKEN GROUP EMPLOYEE SHARE OPTION SCHEME 2020**
- (3) **THE PROPOSED ADOPTION OF THE FRENCKEN GROUP EMPLOYEE SHARE AWARD SCHEME**

1. INTRODUCTION

- 1.1 The Directors are convening the EGM to be held on 23 April 2020 to seek Shareholders' approval for the following proposals:
 - (a) the proposed adoption of the 2020 ESOS;
 - (b) proposed grant of authority to offer and grant Options at a discount under the proposed 2020 ESOS; and
 - (c) the proposed adoption of the ESAS,(together, the "**Proposals**").
- 1.2 The proposed adoption of the 2020 ESOS, proposed grant of authority to offer and grant Options at a discount under the proposed 2020 ESOS, and the proposed adoption of the ESAS are set as ordinary resolutions in the Notice of EGM annexed in this Circular.

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- 1.3 Shareholders should note that the proposed grant of authority to offer and grant Options at a discount under the 2020 ESOS is conditional upon the passing of the resolution relating to the proposed adoption of the 2020 ESOS. In the event that the resolution relating to the proposed adoption of the 2020 ESOS is not passed, the resolution relating to the proposed grant of authority to offer and grant Options at a discount will also not be passed.
- 1.4 The purpose of this Circular is to provide Shareholders with the relevant information relating to the Proposals, which will be tabled at the EGM for the purposes of seeking Shareholders' approval for the same. This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched to by the Company) or for any other purpose.
- 1.5 The Exchange assumes no responsibility for the accuracy of any of the statements or opinions made in this Circular.

2. RATIONALE FOR THE PROPOSED ADOPTION OF THE 2020 ESOS and ESAS

2.1 Background: The 2008 ESOS

- 2.1.1 Previously, the Company (then known as Electrotech Investments Limited), had an employee share option scheme known as "Electrotech Investments Limited Employee Share Option Scheme 2008" (hereinafter referred to as "**2008 ESOS**"). The 2008 ESOS was adopted on 18 April 2008 and had expired on 17 April 2018.
- 2.1.2 The 2008 ESOS became operative upon the Company granting options to subscribe for 8,960,000 ordinary shares of the Company on 1 December 2008 ("**2008 Options**"). The Company also granted options to subscribe for 8,880,000, 9,050,000, 6,000,000, 3,000,000 and 3,000,000 ordinary shares of the Company on 1 December 2009 ("**2009 Options**"), 1 December 2010 ("**2010 Options**"), 7 October 2013 ("**2013 Options**"), 1 April 2016 ("**2016 Options**") and 6 December 2017 ("**2017 Options**") respectively. Particulars of the 2008 Options, 2009 Options, 2010 Options, 2013 Options, 2016 Options and 2017 Options were set out in the Directors' Report for the financial year ended 31 December 2008, 31 December 2009, 31 December 2010, 31 December 2013, 31 December 2016 and 31 December 2017 respectively.
- 2.1.3 Details of the options granted to the Directors and Employees of the Company under the 2008 ESOS are as follows:

Date of Grant	Number of Participants	Aggregate Number of options granted	Aggregate Number of Shares allotted upon exercise of the options as of the Latest Practicable Date	Aggregate Number of Shares Forfeited as of the Latest Practicable Date
1 December 2008	37	8,960,000	8,380,000	580,000
1 December 2009	46	8,880,000	7,400,000	1,480,000
1 December 2010	50	9,050,000	6,705,000	1,670,000
7 October 2013	10	6,000,000	5,700,000	300,000
1 April 2016	1	3,000,000	2,500,000	0
6 December 2017	10	3,000,000	650,000	0
Total	154	38,890,000	31,335,000	4,030,000

The number of unexercised options as of the Latest Practicable Date is 3,525,000 and the number of participants who have unexercised options as of the Latest Practicable Date is 15.

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As at the Latest Practicable Date, there were outstanding and unexercised options granted to grantees under the 2008 ESOS to subscribe for 3,525,000 Shares, representing approximately 0.83% of the total number of issued Shares as at the Latest Practicable Date.

- 2.1.4 The details of the options granted to Directors (including past Directors) under the 2008 ESOS are as follows:

Date of Grant	Name of Director	Number of Shares offered under the options	Number of shares allotted upon exercise of options
<i>Past Director(s)</i>			
1 December 2008	Sebastiaan Johannes van Sprang	2,000,000	2,000,000
1 December 2009	Sim Mong Huat	290,000	290,000
	Hendrik Gezinus Tappel	380,000	380,000
1 December 2010	Sim Mong Huat	220,000	220,000
	Hendrik Gezinus Tappel	390,000	390,000
<i>Present Director(s)</i>			
1 April 2016	Dennis Au	3,000,000	2,500,000
6 December 2017	Dennis Au	700,000	-
Total		6,980,000	5,780,000

- 2.1.5 There were no options granted under the 2008 ESOS to participants who are Controlling Shareholders and their Associates.
- 2.1.6 Every option under the 2008 ESOS is subject to the condition that no Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country.
- 2.1.7 In light of the expired 2008 ESOS, the Company has revisited, deliberated on and decided to implement the 2020 ESOS and ESAS for the following rationale as set out below.

2.2 Rationale for adopting the 2020 ESOS and the ESAS

- 2.2.1 The 2020 ESOS and the ESAS, which are to be administered concurrently, are to provide opportunities for deserving Group Employees to participate in the equity of the Company so as to motivate them to greater dedication and higher standards of performance, and to give recognition to past contribution and services.
- 2.2.2 The 2020 ESOS and the ESAS are proposed on the basis that it is important to acknowledge and secure future contribution by the Group Employees, which is essential to the well-being and prosperity of the Group. The Company, by adopting the 2020 ESOS and the ESAS, will give Participants a real and meaningful stake in the Company through the exercise of the Options or the grant of the Awards. The adoption of the 2020 ESOS and the ESAS will also help to achieve the following objectives:

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

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- (b) to make employee remuneration sufficiently competitive to recruit and retain Participants whose contributions are important to the long-term growth and profitability of the Group;
- (c) to foster an ownership culture within the Company which aligns the interests of employees with the interests of the Shareholders;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders;
- (e) to give recognition to the contributions made by the Participants to the success of the Group; and
- (f) to instil loyalty to, and a stronger identification by the participants with the long-term prosperity of, the Group.

2.3 **Difference between the 2020 ESOS and the ESAS**

2.3.1 While both the 2020 ESOS and ESAS aim to incentivise and retain employees, the 2020 ESOS does not achieve this in the same way the ESAS does. The Company further believes that the ESAS will be more effective and rewarding than pure cash bonuses as a motivational incentive in the Group Employees' bid to achieve pre-determined goals of the Company. Unlike Options granted under the 2020 ESOS, the ESAS contemplates the award of fully-paid Shares free of charge to Participants after the conditions of the ESAS have been met. Accordingly, the ESAS allows the Company to target specific performance objectives and to provide an incentive for Participants to achieve these superior targets, which ultimately, will create and enhance economic value for Shareholders.

2.3.2 Generally, in setting performance targets or benchmarks for Group Employees under the ESAS, the Committee intends to consider the previous and current performance of each Group Employee, and seek to set performance targets or benchmarks which are incremental and are an improvement from the previous or current performance of the Group Employee, in order to drive the improvement in performance for the Company. In setting such performance targets, the Committee will also take into consideration relevant factors such as the Group Employee's years of service with the Company, market conditions, scope of work of the Group Employee and when such Group Employee's work performance may be more appropriately determined on a project basis, and any qualitative criteria which may constitute appropriate performance targets.

2.3.3 On the other hand, the assessment criteria in relation to the grant of Options pursuant to the 2020 ESOS are more general. Under the 2020 ESOS, factors such as the employee's seniority, performance, length of service and potential for future development are relevant. These do not relate to specific performance targets that have to be met.

2.4 **Rationale for implementing both 2020 ESOS and ESAS simultaneously**

2.4.1 By implementing the 2020 ESOS and ESAS simultaneously, the Company aims to foster an ownership culture by instilling in all Participants a stronger and enduring sense of connection and fellowship with the Group. The 2020 ESOS and ESAS will also operate to attract, retain and provide incentives to Participants to encourage greater devotion and constancy by enabling the Company to give recognition for past contributions and services as well as motivating Participants generally to contribute towards the Group's long-term success. The Company believes that attracting and retaining deserving Participants as employees and/or Directors is vital to the Group's objective of achieving growth, expansion and profitability in its business and operations.

2.4.2 It is intended that the 2020 ESOS and ESAS will complement each other to give the Company greater flexibility in aligning the interests of Group Employees with those of Shareholders

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through a tailored incentive programme. In this regard, both the 2020 ESOS and ESAS will enable the Company to remain an attractive and competitive employer and be better positioned to manage its fixed overhead costs without compromising on performance standards and efficiency.

3. THE PROPOSED ADOPTION OF THE 2020 ESOS

3.1 Summary of the Main Terms of the 2020 ESOS

(a) Eligibility

Group Employees (including Executive Directors) who have attained the age of 21 years, will be eligible to participate in the 2020 ESOS.

The following are not entitled to participate in the 2020 ESOS:

- (i) Directors and employees of Associated Companies;
- (ii) Directors and employees of the Company's parent company and the subsidiaries of the Company's parent;
- (iii) Controlling Shareholders; and
- (iv) Associates of the Controlling Shareholders.

(b) Operation of the 2020 ESOS

An Option offered to a Grantee may be accepted by the Grantee within thirty (30) days after the relevant Date of Grant and not later than 5.00pm on the 30th day from such Date of Grant:

- (i) by completing, signing and returning to the Company the acceptance form accompanied by payment of \$1.00 as consideration; and
- (ii) if, at the date on which the Company receives from the Grantee the acceptance form in respect of the Option as aforesaid, he remains eligible to participate in the 2020 ESOS.

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

An Option may be exercised during the Option Period, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Participant giving notice in writing to the Company. Every such notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cheque, cashier's order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed, any relevant documentation required by the Committee and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

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

Save for such costs and expenses expressly provided in the 2020 ESOS to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the 2020 ESOS including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Option shall be borne by the Company.

Subject to the prevailing legislation and the Listing Manual, the Company shall have the flexibility to deliver Shares to Participants in relation to the exercise of an Option by way of:-

- (i) an issue of New Shares; or
- (ii) delivering existing Shares, whether such existing Shares are held as treasury shares or otherwise.

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

(c) Size of 2020 ESOS

Subject to the provisions on variation of the capital, the total number of New Shares in respect of Options that may be offered to a Participant in accordance with the 2020 ESOS shall be determined at the absolute discretion of the Committee. The Directors believe that such discretion will give the Committee sufficient flexibility in adjusting the number of New Shares in respect of Options to be granted, to achieve certain goals of the Company through the customisation of a compensation and incentive package suitable for each Participant. In determining the extent of participation of an eligible Group Employee, the Committee shall take into account criteria such as rank, past performance, years of service and potential for future development.

The aggregate number of New Shares in respect of which Options may be granted on any date under the 2020 ESOS, when added to all Shares, options or awards granted under any other share option scheme, share award scheme or other share-based incentive schemes of the Company, including but not limited to the ESAS, shall not exceed fifteen per cent. (15%) of the number of issued Shares of the Company on the day immediately preceding the relevant Date of Grant (or such other limit as the SGX-ST may determine from time to time). Any Shares which are held as treasury shares will be disregarded for the purpose of computing the fifteen per cent. (15%) limit.

Notwithstanding the Company being able to deliver treasury shares to holders of Options in lieu of New Shares, the aggregate number of treasury shares shall not at any time exceed ten per cent. (10%) of the total number of issued Shares.

(d) Exercise Price

Under the 2020 ESOS, the Exercise Price of Options granted will be determined by the Committee in its absolute discretion on the Date of Grant at:

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- (i) A price equal to Market Price; or
 - (ii) a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed 20% of the Market Price; and the Shareholders of the Company in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the 2020 ESOS at a discount not exceeding the maximum discount as aforesaid.
- (e) Grant of Options at a discounted Exercise Price

The Committee may grant Options with or without a discounted Exercise Price. In the event that Options are granted at a discount, the discount shall not exceed twenty per cent. (20%) of the Market Price. Save as otherwise determined by the Committee in accordance with the 2020 ESOS, the Exercise Price of Options will not be adjusted after the Options are granted.

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

The Company plans to exercise this discretion judiciously and the amount of discount may vary from one offer to another from time to time depending on the circumstances and on a case-by-case basis. In determining the quantum of the discount, the Committee may take into consideration such factors as it may in its absolute discretion deem appropriate, including but not limited to (i) the performance of the Company and the Group; (ii) the years of service and individual performance of an eligible Participant; (iii) the contribution to the success of the Company and/or the Group by that eligible Participant; and (iv) the prevailing market conditions.

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

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

The ability to grant Options at a discount to the prevailing Market Price allows the Company to grant Options on a more realistic and economically feasible basis to the

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Participants especially in circumstances where the Market Price of Shares is high due to a buoyant market or inflated share prices.

With a discretion to grant Options at Market Price or at a discount, the Company would be able to utilise up to the maximum discount allowed for Options to structure remuneration packages to respond fairly rapidly to its Group Employees' circumstances, the market conditions and practices and the economic situation at the time of granting Options. For example, Options granted at a discount to Market Price may be used to compensate Group Employees and keep them motivated during economic downturns when wages (including cash bonuses and annual wage supplements) are frozen or cut, or they could be used to supplement cash rewards in lieu of larger cash bonuses or annual wage supplements.

The Company believes that the maximum twenty per cent. (20%) discount to the Market Price of the Shares is sufficient to allow for flexibility in the 2020 ESOS while minimising the potential dilutive effect to the Shareholders arising from the 2020 ESOS.

Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Participant after the first anniversary of the Date of Grant of that Option provided always that such Options granted with the Exercise Price set at Market Price shall be exercised before the 10th anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company. Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Participant after the second anniversary from the Date of Grant of that Option provided always that the Options shall be exercised before the 10th anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

(f) Alteration of Capital

If a variation in the number of issued Shares of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, including any dividend or other distribution whether in the form of cash, Shares, other securities, or other property, or a reduction, sub-division or consolidation of the existing Shares, or a reverse stock split, reorganisation, merger, splitup, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares) should take place, then:

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

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

Notwithstanding the above, no such adjustment shall be made

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- (i) if as a result, the Participant receives a benefit that a Shareholder does not receive;
- (ii) if as a result, such adjustment will result in the number of Shares under an Option, together with new Shares to be issued or issuable under any other share option or share scheme of the Company then in force, to exceed 15% of the total number of issued Shares of the Company (excluding treasury shares) for the time being; or
- (iii) unless the Committee after considering all relevant circumstances considers it equitable to do so.

Unless the Committee considers an adjustment to be appropriate, the following (whether singly or in combination) shall not be regarded as events requiring adjustment:

- (i) any issue of securities as consideration for an acquisition of any assets or of Shares by the Company, or a private placement of securities of the Company;
- (ii) any increase in the number of issued Shares as a consequence of the exercise of options or other convertibles issued from time to time by the Company entitling holders thereof to subscribe for new Shares in the capital of the Company (including the exercise of any Options granted pursuant to the 2020 ESOS);
- (iii) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company;
- (iv) any issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any case in consideration or part consideration for the acquisition of any other securities, assets or business; and
- (v) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) effected on SGX-ST pursuant to a share purchase mandate (or any renewal thereof) given by the shareholders of the Company in general meeting and for the time being in force.

The restriction on the number of Shares to be offered to any Grantee shall not apply to the number of additional Shares or Options over additional Shares issued by virtue of any adjustment to the number of Shares and/or Options.

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

(g) Duration of the 2020 ESOS

The 2020 ESOS shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date the 2020 ESOS is adopted.

(h) Modifications to the 2020 ESOS

Any or all the provisions of the 2020 ESOS may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:

- (i) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would

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thereby become entitled to Shares representing not less than three-quarters of the total voting rights (or such other requirements as may be prescribed by the SGX-ST) of all the Shares which would fall to be allotted upon exercise in full of all outstanding Options;

- (ii) any modification or alteration which would be to the advantage of Participants under the 2020 ESOS shall be subject to the prior approval of the Shareholders in general meeting, save that Shareholders who are also holders of Options shall be required to abstain from voting in respect of any resolution relating to such modification or alteration; and
- (iii) no modification or alteration shall be made without the prior approval of the SGX-ST or (if required) any other stock exchange on which the Shares are quoted and listed, and such other regulatory authorities as may be necessary.

(i) Ranking of Shares

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

(j) Administration of the 2020 ESOS

The 2020 ESOS shall be administered by the Committee in its absolute discretion with such powers and duties as may be conferred on it by the Board provided that a member of the Committee who is a Participant shall not be involved in the deliberations or decisions of the Committee in respect of the Options to be granted to him.

3.1.2 Financial Effects of the 2020 ESOS

Details of the costs to the Company of granting Options under the 2020 ESOS and New Shares would be as follows:

(a) Share capital

The 2020 ESOS will result in an increase in the Company's number of issued Shares to the extent that New Shares are allotted and issued upon the exercise of the Options. This number of New Shares issued will in turn depend on, *inter alia*, the number of Shares comprised in the Options granted, the number of Options that are vested, the prevailing market price of the Shares on the SGX-ST, and whether the Company chooses to deliver treasury shares to holders of Options in lieu of New Shares.

As such, there would be no impact on the Company's number of issued Shares if the relevant Options are not exercised or if treasury shares are delivered to holders of Options in lieu of New Shares.

(b) Earnings per Share

The 2020 ESOS will have a dilutive impact on the Company's consolidated EPS following the increase in the Company's number of issued Shares to the extent that New Shares are allotted and issued pursuant thereto. As the monetary cost of granting Options with a discounted Exercise Price is borne by the Company, the earnings of the Company would effectively be reduced by an amount corresponding to the reduced interest earnings that the Company would have received from the difference in proceeds from Exercise Price with no discount versus the discounted Exercise Price. Such reduction would, accordingly, result in the dilution of the Company's EPS.

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However, the impact arising from the 2020 ESOS on the Company's consolidated EPS is not expected to be material in any given Financial Year.

(c) Net tangible assets

The issue of New Shares upon the exercise of the Options will increase the Company's consolidated NTA by the aggregate Exercise Price of the New Shares issued. On a per Share basis, the effect on the NTA of the Group and of the Company is accretive if the Exercise Price is above the NTA per Share but dilutive otherwise.

(d) Potential Cost of Options

Any Options granted under the 2020 ESOS would have a fair value. In the event that such Options are granted at prices below the fair value of the Options, there will be a cost to the Company. The amounts of such costs may be more significant in the case of Options granted with Exercise Prices set at a discount to the Market Price of the Shares. In addition to the impact on the Company's consolidated EPS and consolidated NTA as described above, the cost to the Company of granting Options under the 2020 ESOS would be as follows:

- (i) the exercise of an Option at the Exercise Price would translate into a reduction of the proceeds from the exercise of such Option, as compared to the proceeds that the Company would have received from such exercise had the exercise been made at the prevailing market price of the Shares. Such reduction of the exercise proceeds would represent the monetary cost to the Company; and
- (ii) the grant of Options under the 2020 ESOS will have an impact on the Company's and the Group's reported profit under SFRS(I) 2 as share-based payment requires the recognition of an expense in respect of Options granted under the 2020 ESOS. The expense will be based on the fair value of the Options at the Date of Grant (as determined by an option-pricing model) and will be recognised over the vesting period. The requirement to recognise an expense in respect of Options granted to employees as set out in SFRS(I) 2 is effective for annual reporting periods beginning on or after 1 January 2018.

It should be noted that the financial effect discussed in (i) above would materialise only upon the exercise of the relevant Options. The cost of granting Options discussed in (ii) above would be recognised in the financial statements even if the Options are not exercised in (ii). Measured against the cost of granting the Options as described above is the desirable effect of the 2020 ESOS in attracting, recruiting, retaining and motivating directors and employees which could in the long-term yield greater returns for the Company and Shareholders.

3.1.3 Details of the 2020 ESOS

The rules of the 2020 ESOS are set out in **Annex A** to this Circular.

4. THE PROPOSED ADOPTION OF THE ESAS

4.1 Summary of the Main Terms of the ESAS

(a) Eligibility

Group Employees (including Executive Directors) who have attained the age of 21 years, will be eligible to participate in the ESAS.

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The following are not entitled to participate in the ESAS:

- (i) Directors and employees of Associated Companies;
- (ii) Directors and employees of the Company's parent company and the subsidiaries of the Company's parent;
- (iii) Controlling Shareholders; and
- (iv) Associates of the Controlling Shareholders.

(b) Operation of the ESAS

Participants are not required to pay for the grant of Awards, unless the Committee determines otherwise or otherwise stated in the award letter.

Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of any Award 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 Depository Agent or CPF investment account with a CPF agent bank and all taxes which shall be payable by the relevant Participant.

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

Subject to the prevailing legislation and the Listing Manual, the Company shall have the flexibility to deliver Shares to Participants upon vesting of their Awards by way of:-

- (i) an issue of New Shares; or
- (ii) delivering existing Shares, whether such existing Shares are held as treasury shares or otherwise.

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

Awards will only vest once the Committee, in its discretion, determines any relevant or more performance or service related conditions prescribed by the Committee have been satisfied. Following the end of the performance period or periods over which the conditions are measured or tested (as specified by the Committee for the purpose of the Award), the Committee will:

- (a) test the applicable conditions and determine the extent to which the conditions have been satisfied;
- (b) the vesting schedule (if any), pursuant to which an Award shall vest at the end of each performance period, provided the Conditions(s) has been achieved;
- (c) determine the time when the Awards vest; and

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- (d) within a reasonable timeframe, notify Participants of the extent to which any applicable conditions have been satisfied and Awards will vest or have vested.

Notwithstanding the above, the Committee may, in its discretion, determine that an Award vests prior to the end of the performance period.

- (c) Size of ESAS

The aggregate number of Shares available under the ESAS, when added to all Shares, options or awards granted under any other share option scheme, share award scheme or other share-based incentive schemes of the Company, including but not limited to the 2020 ESOS, shall not exceed fifteen per cent. (15%) of the number of issued Shares of the Company on the day immediately preceding the relevant Date of Grant (or such other limit as the SGX-ST may determine from time to time). Any Shares which are held as treasury shares will be disregarded for the purpose of computing the fifteen per cent. (15%) limit.

Notwithstanding the Company being able to deliver treasury shares to holders of Awards in lieu of new Shares, the aggregate number of treasury shares shall not at any time exceed ten per cent. (10%) of the total number of issued Shares.

- (d) Alteration of Capital

If a variation in the number of issued Shares of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, including any dividend or other distribution whether in the form of cash, Shares, other securities, or other property, or a reduction, sub-division or consolidation of the existing Shares, or a reverse stock split, reorganisation, merger, splitup, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares) should take place, then:

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

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

Notwithstanding the above, no such adjustment shall be made

- (i) if as a result, the Participant receives a benefit that a Shareholder does not receive;
- (ii) if as a result, such adjustment will result in the number of Shares under an Award, together with new Shares to be issued or issuable under any other share option or share scheme of the Company then in force, to exceed 15% of the total number of issued Shares of the Company (excluding treasury shares) for the time being; or
- (iii) unless the Committee after considering all relevant circumstances considers it equitable to do so.

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Unless the Committee considers an adjustment to be appropriate, the following (whether singly or in combination) shall not be regarded as events requiring adjustment:

- (i) any issue of securities as consideration for an acquisition of any assets or of Shares by the Company, or a private placement of securities of the Company;
- (ii) any increase in the number of issued Shares as a consequence of the exercise of options or other convertibles issued from time to time by the Company entitling holders thereof to subscribe for new Shares in the capital of the Company;
- (iii) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company;
- (iv) any issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any case in consideration or part consideration for the acquisition of any other securities, assets or business; and
- (v) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) effected on SGX-ST pursuant to a share purchase mandate (or any renewal thereof) given by the shareholders of the Company in general meeting and for the time being in force.

The restriction on the number of Shares to be offered to any Grantee, shall not apply to the number of additional Shares issued by virtue of any adjustment to the number of Shares.

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

(e) Duration of the ESAS

The ESAS shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date the ESAS is adopted.

(f) Modifications to the ESAS

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

- (i) any modification or alteration which shall alter adversely the rights attaching to any Award granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Award granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Awards in full, would thereby become entitled to Shares representing not less than three-quarters of the total voting rights (or such other requirements as may be prescribed by the SGX-ST) of all the Shares which would fall to be vested upon release of all outstanding Awards upon the Performance Target(s) for all outstanding Awards being satisfied in full;
- (ii) any modification or alteration which would be to the advantage of Participants under the ESAS shall be subject to the prior approval of the Shareholders in general meeting, save that Shareholders who are also holders of Awards shall be required to abstain from voting in respect of any resolution relating to such modification or alteration; and

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(iii) no modification or alteration shall be made without the prior approval of the SGX-ST or (if required) any other stock exchange on which the Shares are quoted and listed, and such other regulatory authorities as may be necessary.

(g) Ranking of Shares

New Shares allotted and issued on the release of an Award shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

(h) Administration of the ESAS

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

4.2 Financial Effects of the ESAS

Details of the costs to the Company of granting Options under the ESAS and New Shares would be as follows:

(a) Share capital

The ESAS will result in an increase in the Company's number of issued share capital only if New Shares are issued to Participants. The number of New Shares issued will depend on, inter alia, the size of the Awards granted under the ESAS. However, if treasury shares are transferred to Participants in lieu of issuing New Shares to Participants, the ESAS will have no impact on the Company's issued share capital.

(b) Earnings per Share

The ESAS 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 to the vesting date. Although the ESAS 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 ESAS is contingent upon the Participants meeting prescribed performance targets, which will take into consideration the Participants' years of service and their contributions towards the financial performance of the Group.

It is anticipated that the impact arising from the ESAS on the Company's consolidated EPS is not expected to be material in any given Financial Year.

(c) Net tangible assets

When New Shares are issued under the ESAS, there would be no effect on the NTA of the Group and the Company. If treasury shares are transferred to Participants, the NTA of the Group and the Company would decrease by the cost of Shares purchased.

(d) Dilutive impact

In light of the above, it is therefore expected that any dilutive impact of the ESAS on the NTA per share and EPS would not be significant.

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(e) Potential Cost of Awards

The ESAS is considered a share-based payment that falls under the scope of the SFRS(I) 2. The Awards, if settled by way of the issue of New Shares or through the use of treasury shares (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 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 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.

4.3 **Details of the ESAS**

The rules of the ESAS are set out in **Annex B** to this Circular.

5. **LISTING ON THE SGX-ST**

5.1 In-principle approval has been received by the SGX-ST on 13 March 2020 for the listing and quotation of the New Shares to be allotted and issued pursuant to the 2020 ESOS and the ESAS, subject to independent Shareholders' approval being obtained for the 2020 ESOS and the ESAS, and the Company's compliance with SGX-ST's listing requirements and guidelines.

5.2 Such approval is not to be taken as an indication of the merits of the 2020 ESOS, the ESAS, the New Shares or the Group.

6. **DISCLOSURES IN ANNUAL REPORT**

6.1 In accordance with the Listing Manual, the following disclosures (as applicable) will be made by the Company in its annual report for so long as the 2020 ESOS and/or ESAS remains in operation:-

- (a) the names and members of the Committee(s) administering the 2020 ESOS and/or ESAS;
- (b) in respect of the following Participants:-
 - (i) Directors of the Company; and

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- (ii) Participants (other than those in paragraph (i) above) who have received Shares pursuant to the grant of Options granted under the 2020 ESOS and/or who have received Shares pursuant to the vesting of Awards granted under the ESAS which, in aggregate represent 5% or more of the aggregate number of Options under both the 2020 ESOS and ESAS,

the following information:-

- (1) the name of the Participant;
- (2) the following particulars relating to Options granted under the 2020 ESOS and/or Awards granted under the ESAS (as the case may be):-
 - (A) the number of Options granted or the aggregate number of Shares comprised in Awards which have been granted during the Financial Year under review (including terms);
 - (B) the aggregate number of Shares comprised in Options or Awards (as the case may be) granted since the commencement of the 2020 ESOS and/or ESAS up to the end of the Financial Year in review;
 - (C) (for the 2020 ESOS) the aggregate number of Options exercised since the commencement of the 2020 ESOS up to the end of the Financial Year under review;
 - (D) (for the 2020 ESOS) the aggregate number of Options outstanding as at the end of the Financial Year under review;
 - (E) (for the ESAS) the aggregate number of Shares issued to such under the ESAS during the Financial Year under review;
 - (F) (for the ESAS) the aggregate number of Shares comprised in the Awards which have not been released as at the end of the Financial Year under review;
- (c) where applicable, the number and proportion of Options granted at a discount during the Financial Year in review in respect of every 10% range, up to the maximum quantum of discount granted; and
- (d) such other information as may be required by the Listing Manual or the Companies Act.

6.2 If any of the above is not applicable, an appropriate negative statement shall be included therein.

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

The interests of Directors and Substantial Shareholders in the Shares of the Company, as at the Latest Practicable Date, are as follows:-

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	Direct Interest		Deemed interest	
	Number of		Number of	
	Shares	% ⁽¹⁾	Shares	% ⁽¹⁾
Directors				
Dato' Gooi Soon Chai	6,165,023	1.45	92,752,668	21.84
Dennis Au	3,287,000	0.77	-	-
Melvin Chan Wai Leong	-	-	439,500	0.10
Substantial Shareholders (other than Directors)				
Low Heang Thong	-	-	26,975,300	6.35
Micro Compact (M) Sdn. Bhd.	-	-	26,332,206	6.20
Precico Holdings Sdn. Bhd.	-	-	52,487,076	12.36
Prime Logic (M) Sdn. Bhd.	-	-	27,932,206	6.58
Sinn Hin Company Sdn. Bhd.	-	-	88,759,021	20.90

Notes:-

(1) Based on 424,772,409 issued Shares as at the Latest Practicable Date.

8. DIRECTORS' RECOMMENDATIONS

8.1 2020 ESOS

- (a) Mr. Dennis Au, who is eligible to participate in the 2020 ESOS, has refrained from making any recommendation to Shareholders in respect of Ordinary Resolutions 1 and 2 as set out in the Notice of EGM.
- (b) **In addition, all persons (including those Directors who are also Shareholders) who are eligible to participate in the 2020 ESOS are required to abstain from voting in respect of the 2020 ESOS at the EGM.**
- (c) The remaining Directors who are not eligible to participate in the 2020 ESOS, namely Dato' Gooi Soon Chai, Mr Chia Chor Leong, Mr Ling Yong Wah, Mr Yeo Jeu Nam, and Mr Melvin Chan Wai Leong, having considered the rationales for the adoption of the 2020 ESOS, are of the opinion that the adoption of the 2020 ESOS is in the best interests of the Company. The remaining Directors who are not eligible to participate in the 2020 ESOS accordingly recommend that Shareholders vote in favour of the Ordinary Resolutions 1 and 2 at the EGM.

8.2 ESAS

- (a) Mr. Dennis Au, who is eligible to participate in the ESAS, has refrained from making any recommendation to Shareholders in respect of Ordinary Resolution 3 as set out in the Notice of EGM.
- (b) **In addition, all persons (including those Directors who are also Shareholders) who are eligible to participate in the ESAS are required to abstain from voting in respect of the ESAS at the EGM.**

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- (c) The remaining Directors who are not eligible to participate in the ESAS, namely Dato' Gooi Soon Chai, Mr Chia Chor Leong, Mr Ling Yong Wah, Mr Yeo Jeu Nam, and Mr Melvin Chan Wai Leong, having considered the rationales for the adoption of the ESAS, are of the opinion that the adoption of the ESAS is in the best interests of the Company. The remaining Directors who are not eligible to participate in the ESAS accordingly recommend that Shareholders vote in favour of the Ordinary Resolution 3 at the EGM.

9. ABSTENTION FROM VOTING

Mr Dennis Au, who is entitled to participate in the 2020 ESOS and the ESAS, shall abstain from voting in respect of his holdings of Shares (if any), and shall not accept appointments as proxies for voting at the EGM, in respect of all the ordinary resolutions to be tabled at the EGM for the adoption of the 2020 ESOS and the ESAS and the grant of authority to offer and grant Options at a discount under the 2020 ESOS unless specific instructions have been given in the proxy instrument on how the Shareholders wish their votes to be cast for such ordinary resolutions.

Any Shareholder entitled to participate in the 2020 ESOS and the ESAS shall abstain from voting at the EGM, and shall not accept appointments as proxies for voting at the EGM, in respect of all the ordinary resolutions to be tabled at the EGM for the adoption of the 2020 ESOS and the ESAS and the grant of authority to offer and grant Options at a discount under the 2020 ESOS unless specific instructions have been given in the proxy instrument on how the Shareholders wish their votes to be cast for such ordinary resolutions.

10. EXTRAORDINARY GENERAL MEETING

The EGM will be held at Mandarin Orchard Hotel, Level 5, Main Tower, Grange Ballroom, 333 Orchard Rd, Singapore 238867 on 23 April 2020 at 3.30 p.m. (or soon thereafter as the AGM of the Company convened on the same day and at the same place at 2.30 p.m. shall have concluded or shall have been adjourned) for the purpose of considering and, if thought fit, passing with or without any amendments, the resolutions set out in the Notice of EGM on pages N-1 to N-3 of this Circular.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf, should complete, sign and return the Proxy Form attached to the Notice of EGM on pages N-1 to N-4 of this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02 Singapore 068898 not less than 48 hours before the time fixed for the EGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes. In such event, the relevant proxy form will be deemed to be revoked. A proxy need not be a Shareholder.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by CDP to the Company.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material

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facts about the proposed adoption of the 2020 ESOS, the proposed grant of authority to offer and grant options at a discount under the 2020 ESOS and the proposed adoption of the ESAS, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours on any weekday (public holidays excepted) up to and including the date of the EGM:

- (a) the proposed rules of the 2020 ESOS; and
- (b) the proposed rules of the ESAS.

Yours faithfully

For and on behalf of the Directors of
Frencken Group Limited

Dato' Gooi Soon Chai
Chairman

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THE RULES OF THE FRENCKEN GROUP EMPLOYEE SHARE OPTION SCHEME 2020

1. NAME OF THE SCHEME

The Scheme (as defined below) shall be called the "**Frencken Group Employee Share Option Scheme 2020**".

2. DEFINITIONS

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

"Act" or "Companies Act" : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time

"Adoption Date" : The date on which the Scheme is adopted by the Company in general meeting

"Associate" or "Associates" : (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 thirty per cent. (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 thirty per cent. (30%) or more

"Associated Company" or "Associated Companies" : A company in which at least 20% but no more than 50% of its shares are held by the Company or the Group

"Auditors" : The auditors of the Company for the time being

"Board" : The board of Directors of the Company

"CDP" : The Central Depository (Pte) Limited

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"CPF"	: Central Provident Fund
"Committee"	: A committee comprising Directors and members of the Executive Committee duly authorised and appointed by the Board to administer the Scheme
"Company"	: Frencken Group Limited
"Constitution"	: The constitution of the Company, as amended or modified 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: <ul style="list-style-type: none">(a) holds directly or indirectly fifteen per cent. (15%) or more of the total voting rights in the Company (unless determined by SGX-ST that such person is not a controlling shareholder); or(b) in fact exercises control over the Company
"Date of Grant"	: The date on which an Option is granted to a Participant pursuant to Rule 7
"Directors"	: A person holding office as a director for the time being of the Company and/or its subsidiary(ies), as the case may be (including Executive Directors and Non-Executive Directors)
"Executive Committee"	: The executive committee established by the Board to support the Board in carrying out its responsibilities
"Executive Director"	: A director of the Company and/or its subsidiaries, as the case may be, who performs an executive function within the Company or the relevant subsidiary, as the case may be
"Exercise Price"	: The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 9, as adjusted in accordance with Rule 10
"Grantee"	: A person to whom an offer of an Option is made
"Group"	: The Company and its subsidiaries
"Group Employee"	: An employee of the Group (including any Executive Director, but excluding any Non-Executive Director) selected by the Committee to participate in the Scheme in accordance with Rule 4

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"immediate family"	: In relation to a person, means the person's spouse, child, adopted child, step-child, sibling and parent
"Letter of Offer"	: Has the meaning ascribed to it in Rule 7.27.2
"Listing Manual"	: The listing manual of the SGX-ST
"Market Day"	: A day on which the SGX-ST is open for securities trading
"Market Price"	: The average of the last dealt price for a Share determined by reference to the daily official list published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Offering Date provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
"New Shares"	: The new Shares which may be allotted and issued from time to time pursuant to the exercise of the Options granted under the Scheme
"Non-Executive Director"	: A director of the Company other than one who performs an executive function
"Offering Date"	: The date on which an Option is granted pursuant to a Letter of Offer
"Option"	: The right to subscribe for Shares granted or to be granted Shares pursuant to the Scheme
"Option Period"	: The period(s) within which an Option has to be exercised as stated in Rule 11
"Participant"	: The holder of an Option (including where applicable, the executor or personal representative of such holder)
"Record Date"	: The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions
"Rules"	: Rules of the Scheme and any reference to a particular Rule shall be construed accordingly
"Scheme"	: The Frencken Group Employee Share Option Scheme 2020, as the same may be modified or altered from time to time
"Securities Account"	: Securities accounts maintained by depositors with CDP but not including securities sub-accounts maintained with a Depository Agent

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"SFA"	: The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
"SGX-ST"	: Singapore Exchange Securities Trading Limited
"Shareholders"	: The registered holders of the Shares, except that where the registered holder is CDP, the term " Shareholders " shall, where the context admits, mean the depositors whose Securities Accounts are credited with the Shares
"Shares"	: Ordinary share(s) in the issued and paid-up capital of the Company
"Subsidiary"	: A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Act
"\$" or " Dollars " and " cents "	: Singapore dollars and cents, respectively
"%" or " per cent "	: Per centum or percentage

- 2.2. The terms "**Depositor**", "**Depository Register**" and "**Depository Agent**" shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA or any statutory modification thereof, as the case may be. The term "**treasury shares**" shall have the meaning ascribed to it in Section 4 of the Act.
- 2.3. Words importing the singular number 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 Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in this Scheme shall, where applicable, have the meaning ascribed to it under the Act or any statutory modification thereof, as the case may be.
- 2.5. Any reference to a time of a day in the Scheme is a reference to Singapore time.

3. OBJECTIVES OF THE SCHEME

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

The Scheme will provide the Company with the means to use share options as part of a compensation plan for attracting as well as promoting long-term staff retention, by providing an opportunity for Group Employees (including Executive Directors) who satisfy the eligibility criteria as set out in Rule 4 of the Scheme, to participate in the equity of the Company.

The Scheme is primarily a share incentive scheme. It recognises the fact that the services of such Group Employees are important to the current on-going development, growth and success of the Group. Implementation of the Scheme will not only give the Company the flexibility to the Group's remuneration package for its employees and allow the Group to better manage its fixed

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overheads but also enable the Company to give such Group Employees a real and meaningful stake in the Company and help the Company to achieve the following objectives:

- (a) to motivate each Participant to achieve and maintain a high level of performance and contribution;
- (b) to make employee remuneration sufficiently competitive to recruit and retain Participants whose contributions are important to the long-term growth and profitability of the Group;
- (c) to foster an ownership culture within the Company which aligns the interests of employees with the interests of the Shareholders; and
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders of the Company.

4. ELIGIBILITY

- 4.1. Confirmed Group Employees who have attained the age of 21 years on or prior to the relevant Date of Grant and are not undischarged bankrupts and have not entered into a composition with their respective creditors, and who have, as of the Date of Grant, been in the employment of the Group for a period of at least twelve (12) months, or such shorter period as the Committee may determine, shall be eligible to participate in the Scheme at the absolute discretion of the Committee.
- 4.2. The following are not entitled to participate in the Scheme:
 - (a) Directors and employees of Associated Companies;
 - (b) Directors and employees of the Company's parent company and the subsidiaries of the Company's parent;
 - (c) Controlling Shareholders; and
 - (d) Associates of the Controlling Shareholders.
- 4.3. There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within the Group.
- 4.4. Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

5. MAXIMUM ENTITLEMENT

Subject to Rule 4 and Rule 10, the aggregate number of Shares in respect of which Options may be offered to a Grantee for subscription in accordance with the Scheme shall be determined at the discretion of the Committee who shall take into account criteria such as rank, past performance, years of service and potential for future development of the Participant.

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6. LIMITATION ON SIZE OF THE SCHEME

The aggregate number of Shares over which the options may be granted to a Group Employee on any date under the Scheme, when added to the number of Shares issued and/or issuable in respect of:

- (a) all Options granted under the Scheme; and
- (b) all Shares, options or award 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) on the day preceding that date.

If the Company chooses to deliver treasury shares to holders of Options in lieu of New Shares, such treasury shares that are delivered to holders of Options pursuant to the Scheme shall, together with all of the Company's existing treasury shares, not at any time exceed ten per cent. (10%) of the total number of issued Shares.

7. DATE OF GRANT

7.1. The Committee may, save as provided in Rule 4, Rule 5 and Rule 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the Scheme is in force, except that no Option shall be granted during the period of 30 days immediately preceding the date of announcement of the Company's interim and/or final results (whichever the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, offers to grant Options may only be made on or after the second Market Day on which such announcement is released.

7.2. An offer to grant the Option to a Grantee shall be made by way of a letter (the "**Letter of Offer**") in the form or substantially in the form set out in Appendix A.1, subject to such modification as the Committee may determine from time to time.

8. ACCEPTANCE OF OFFER

8.1. An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within thirty (30) days after the relevant Date of Grant and not later than 5.00 p.m. on the 30th day from such Date of Grant:

- (a) by completing, signing and returning to the Company the **Acceptance Form** in or substantially in the form set out in Appendix A.2, subject to such modification as the Committee may from time to time determine, accompanied by payment of \$1.00 as consideration and
- (b) if, at the date on which the Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with these Rules.

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- 8.2. If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the thirty (30)-day period, automatically lapse and shall forthwith be deemed to be null and void and of no effect.
- 8.3. The Committee shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or Exercise Notice given pursuant to Rule 12 which does not strictly comply with the terms of the Scheme.
- 8.4. Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee's prior written approval, but may be exercised by the Grantee's duly appointed personal representative as provided in Rule 11.6 in the event of the death of such Grantee.
- 8.5. The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 1,000 Shares.
- 8.6. In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 8.7. Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted in the manner as provided in Rule 8.1 within the thirty (30) day period; or
 - (b) the Participant dies prior to his acceptance of the Option; or
 - (c) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
 - (d) the Grantee being a Group Employee ceases to be in the employment of the Group for any reason whatsoever prior to his acceptance of the Option; or
 - (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

9. EXERCISE PRICE

- 9.1. Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee, in its absolute discretion, on the Date of Grant, at:
- (a) a price equal to the Market Price; or
 - (b) a price which is set at a discount to the Market Price, provided that:

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- (i) the maximum discount shall not exceed twenty per cent. (20%) of the Market Price (or such other maximum quantum of percentage prescribed or permitted by SGX-ST at the relevant time); and
- (ii) the Company's Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Scheme at a discount not exceeding the maximum discount as aforesaid.

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

- (a) the performance of the Company and its Subsidiaries, as the case may be;
- (b) the years of service and individual performance of the eligible Group Employee;
- (c) the contribution of the eligible Group Employee to the success and development of the Company and/or the Group; and
- (d) the prevailing market conditions.

9.3. In the event that the Company is no longer listed on the SGX-ST or any other relevant stock exchange or trading in the Shares on the SGX-ST or such stock exchange is suspended for any reason for 14 days or more, the Exercise Price for each Share in respect of which an Option is exercisable shall be the fair market value of each such Share as determined by the Committee in good faith.

10. ALTERATION OF CAPITAL

10.1. If a variation in the number of issued Shares of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, including any dividend or other distribution whether in the form of cash, Shares, other securities, or other property, or a reduction, sub-division or consolidation of the existing Shares, or a reverse stock split, reorganisation, merger, splitup, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares) should take place, then:

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

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

10.2. Notwithstanding the provisions of Rule 10.1 above, no such adjustment shall be made

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- (a) if as a result, the Participant receives a benefit that a Shareholder does not receive;
 - (b) if as a result, such adjustment will result in the number of Shares under an Option, together with new Shares to be issued or issuable under any other share option or share scheme of the Company then in force, to exceed 15% of the total number of issued Shares of the Company (excluding treasury shares) for the time being; or
 - (c) unless the Committee after considering all relevant circumstances considers it equitable to do so.
- 10.3. Unless the Committee considers an adjustment to be appropriate, the following (whether singly or in combination) shall not be regarded as events requiring adjustment under the provisions of this Rule 10:–
- (a) any issue of securities as consideration for an acquisition of any assets or of Shares by the Company, or a private placement of securities of the Company;
 - (b) any increase in the number of issued Shares as a consequence of the exercise of options or other convertibles issued from time to time by the Company entitling holders thereof to subscribe for new Shares in the capital of the Company (including the exercise of any Options granted pursuant to this Scheme);
 - (c) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company;
 - (d) any issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any case in consideration or part consideration for the acquisition of any other securities, assets or business; and
 - (e) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) effected on SGX-ST pursuant to a share purchase mandate (or any renewal thereof) given by the shareholders of the Company in general meeting and for the time being in force.
- 10.4. The restriction on the number of Shares to be offered to any Grantee under Rule 5 above, shall not apply to the number of additional Shares or Options over additional Shares issued by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.
- 10.5. Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised. Any adjustment shall take effect upon such written notification being given.
- 11. OPTION PERIOD**
- 11.1. Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Participant after the first anniversary of the Date of Grant of that Option provided always that such Options granted with the Exercise Price set at Market Price

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shall be exercised before the 10th anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

- 11.2. Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Participant after the second anniversary from the Date of Grant of that Option provided always that the Options shall be exercised before the 10th anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- 11.3. An Option shall, to the extent unexercised, immediately lapse and become null and void and a Participant shall have no claim against the Company:
- (a) subject to Rules 11.4, 11.5 and 11.6, upon the Participant ceasing to be in the employment of the Company or any of the companies within the Group for any reason whatsoever; or
 - (b) upon the bankruptcy of the Participant or the happening of any other event which result in him being deprived of the legal or beneficial ownership of such Option; or
 - (c) in the event of events resulting in termination for cause including but not limited to gross negligence, misconduct, insubordination or incompetence on the part of the Participant, as determined by the Committee in its absolute discretion.

For the purpose of Rule 11.3(a), a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

- 11.4. If a Participant ceases to be employed by the Group by reason of:
- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
 - (b) redundancy;
 - (c) retirement at or after a normal retirement age;
 - (d) retirement before that age with the consent of the Committee;
 - (e) the Subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such Subsidiary, being transferred otherwise than to another company within the Group; or
 - (f) for any other reason approved in writing by the Committee,

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

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- 11.5. If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representative(s) of the Participant within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.
- 11.6. If a Participant, who is also an Executive Director, ceases to be a Director for any reason whatsoever, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

12. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

- 12.1. An Option may be exercised during the Option Period, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Appendix A.3 (the "**Exercise Notice**"), subject to such modification as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cheque, cashier's order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed, any relevant documentation required by the Committee and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.
- 12.2. Subject to such consents or other required actions of any competent authority under any regulations or enactment for the time being in force as may be necessary (including any approvals required from the SGX-ST) and subject to the compliance with the Rules of the Scheme and the Constitution of the Company, the Company shall, within ten (10) Market Days after the exercise of an Option, do any one or more of the following in relation to the exercise of such Option as it deems fit in its sole and absolute discretion:
- (a) allot the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit and the Company shall, as soon as practicable after such allotment, apply to the Stock Exchange for permission to deal in and for quotation of such Shares, if necessary; and/or
 - (b) transfer existing Shares to the Participant, whether such existing Shares are held as treasury shares or otherwise.
- 12.3. The Company shall, if necessary, as soon as practicable after the exercise of an Option, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.
- 12.4. Shares which are allotted on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in the name of CDP to the credit of the Securities Account of the

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Participant maintained with CDP, or to the Participant's securities sub-account with a CDP Depository Agent, or if such securities account is not available, in the name of the Participant.

- 12.5. Shares allotted and issued upon the exercise of an Option shall be subject to all provisions of the Constitution of the Company and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights, allotments or other distributions, the Record Date for which is prior to the date such Option is exercised.
- 12.6. Except as set out in Rule 12.2 and subject to Rule 10, an Option does not confer on a Participant any right to participate in any new issue of Shares.
- 12.7. Notwithstanding any other Rule of this Scheme to the contrary, and notwithstanding references to subscription, issue and allotment of Shares or New Shares, the Company reserves to itself the right to deliver treasury shares in lieu of New Shares to Participants upon their exercise of Options.

13. MODIFICATIONS TO THE SCHEME

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

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

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

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- 13.3. Written notice of any modification or alteration made in accordance with this Rule 13 shall be given to all Participants.

14. DURATION OF THE SCHEME

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

15. TAKE-OVER AND WINDING UP OF THE COMPANY

- 15.1. In the event of a take-over or exit offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and 11.2) holding Options as yet unexercised shall, notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise such Options in full or in part in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6)-month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or
- (b) the date of the expiry of the Option Period relating thereto,

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

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participants until such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void, provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11, remain exercisable until the expiry of the Option Period.

ANNEX A – RULES OF THE 2020 ESOS

- 15.2. If, under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rules 11.1 and 11.2) shall notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of the period of time prescribed by the order of court sanctioning the compromise or arrangement for the lodgment of the order of court with the Registrar of Companies, or where no such period of time is prescribed in the order of court, such period of time prescribed under the Act, or the date upon which the compromise or arrangement becomes effective, whichever is earlier (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option shall lapse and become null and void, Provided always that the date of exercise of any Option shall be before the expiry of the Option Period.
- 15.3. If an order or an effective resolution is passed for the winding up of the Company on the basis of its insolvency, all Options, to the extent unexercised, at the date such order or restriction shall lapse and become null and void.
- 15.4. In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date or soon after it despatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provisions of this Rule 15.4) and thereupon, each Participant (or his or her legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Participant credited as fully paid.
- 15.5. If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding up referred to in Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other Options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.
- 15.6. To the extent that an Option is not exercised within the periods referred to in this Rule 15, it shall lapse and become null and void.

16. ADMINISTRATION OF THE SCHEME

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

ANNEX A – RULES OF THE 2020 ESOS

- 16.2. The Committee shall have the power, from time to time, to make or vary such rules and regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit including, but not limited to, imposing restrictions on the number of Options that may be exercised within particular sections of the relevant Option Period.
- 16.3. Any decision of the Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors who are to act as experts and not as arbitrators), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Scheme or any rule, regulation, or procedure thereunder or as to any rights under the Scheme).

17. NOTICES

- 17.1. 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 as may be notified by the Company to him in writing.
- 17.2. 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 or persons as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address according to the records of the Company and if sent by post, shall be deemed to have been given on the day following the date of posting.
- 17.3. Any notice sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is posted, and in proving such service by post, it shall be sufficient to prove that the letter or wrapper containing the same was properly addressed and put into the post office as a prepaid letter or wrapper.

18. TERMS OF EMPLOYMENT UNAFFECTED

- 18.1. The Scheme or any Option shall not form part of any contract of employment between the Company or any Subsidiary and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Scheme or any right which he may have to participate in it or any Option which he may hold and the Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.
- 18.2. The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company and/or any Subsidiary directly or indirectly or give rise to any cause of action at law or in equity against the Company and/or any Subsidiary.

19. TAXES

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

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20. COSTS AND EXPENSES OF THE SCHEME

- 20.1. Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's Securities Account with CDP, or the Participant's securities sub-account with a Depository Agent or CPF investment account with a CPF agent bank and all taxes referred to in Rule 19 which shall be payable by the relevant Participant.
- 20.2. Save for such costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Option shall be borne by the Company.

21. CONDITION OF OPTION

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

22. DISCLAIMER OF LIABILITY

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

23. DISCLOSURES IN ANNUAL REPORT

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

- (a) The names of the members of the Committee;
- (b) The information required in the table below for the following Participants:
 - (i) Participants who are Directors of the Company;
 - (ii) Participants who are Controlling Shareholders and their Associates; and
 - (iii) Participants, other than those in (i) and (ii) above who receive five per cent. (5%) or more of the total number of Options available under the Scheme.

ANNEX A – RULES OF THE 2020 ESOS

Name of Participant	Options granted during financial year under review (including terms)	Aggregate Options granted since commencement of the Scheme to end of financial year under review	Aggregate Options exercised since commencement of the Scheme to end of financial year under review	Aggregate Options outstanding as at end of financial year under review
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- (c) (i) The names of and number and terms of Options granted to each Director or Group Employee who receives 5% or more of the total number of Options available to all Directors or Group Employees under the Scheme, during the financial year under review; and (ii) The aggregate number of Options granted to the Directors or Group Employees for the financial year under review, and since the commencement of the Scheme to the end of the financial year under review.
- (d) The number and proportion of Options granted at the following discounts to average market value of the Shares during the financial year under review:
- (i) Options granted at a ten per cent. (10%) discount; and
 - (ii) Options granted at between ten per cent. (10%) but not more than twenty per cent. (20%) discount (or such other maximum quantum of percentage prescribed or permitted by SGX-ST at the relevant time).
- (e) Any other information required to be disclosed pursuant to the Listing Manual and all other applicable laws and requirements.

Where any of the above requirements are not applicable, an appropriate negative statement should be included therein.

24. ABSTENTION FROM VOTING

Grantees who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the Scheme, including (a) implementation of the Scheme; (b) discount quantum; and (c) participation by and Option grant to Controlling Shareholders and their Associates.

25. 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.

26. GOVERNING LAW

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

ANNEX A – RULES OF THE 2020 ESOS

APPENDIX A.1

THE FRENCKEN GROUP EMPLOYEE SHARE OPTION SCHEME 2020

LETTER OF OFFER

Serial No. _____

Private and Confidential

[Date]

To: [Name]
[Designation]
[Address]

Dear Sir/Madam

We have the pleasure of informing you that you have been nominated by the committee of directors ("**Committee**") of Frencken Group Limited (the "**Company**") to participate in the Frencken Group Employee Share Option Scheme 2020 (the "**Scheme**"). Unless otherwise defined, terms as defined in the Scheme shall have the same meaning when used in this letter.

Accordingly, an offer is hereby made to grant you an Option, in consideration of the payment of a sum of \$1.00, to subscribe for and be allotted _____ new ordinary shares in the capital of the Company (the "**Shares**") at the price of \$ _____ per Share.

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

The Option shall be subject to the rules of the Scheme, a copy of which is available for inspection at the business address of the Company.

Kindly note that under the rules of the Scheme, you will not be entitled to exercise the Option before the _____ anniversary of the date first above-written.

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

Yours faithfully

THE COMMITTEE
FRENCKEN GROUP LIMITED
FRENCKEN GROUP EMPLOYEE SHARE OPTION SCHEME 2020

ANNEX A – RULES OF THE 2020 ESOS

APPENDIX A.2

THE FRENCKEN GROUP EMPLOYEE SHARE OPTION SCHEME 2020

ACCEPTANCE FORM

Serial No. _____

Private and Confidential

To: The Committee
Frencken Group Employee Share Option Scheme 2020
Frencken Group Limited
80 Robinson Road
#02-00
Singapore 068898

Closing Date and Time for Acceptance of Offer : _____

Number of new ordinary shares in the capital of the:
Company (the "**Shares**") Offered _____

Exercise Price per Share : S\$ _____

Total Amount Payable for the Shares
(exclusive of the relevant CDP charges) : S\$ _____

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

I hereby accept the Option to subscribe for _____ Shares at \$ _____. I enclose a *cheque/cashier's order/bank draft/postal order for \$1.00 as consideration for the grant of the Option.

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

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

I confirm as at the date hereof:

- (a) I am not less than 21 year old, nor an undischarged bankrupt, nor have I entered into a composition with any of my creditors; and
- (b) I satisfy the eligibility requirements to participate in the Frencken Group Employee Share Option Scheme and such other requirements to participate in the Frencken Group Employee Share Option Scheme as set out in the Rules of the Frencken Group Employee Share Option Scheme.

ANNEX A – RULES OF THE 2020 ESOS

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

I agree to maintain confidentiality with regards to all information relating to the grant of the Option to me.

Please print in block letters

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

*Please delete accordingly.

Notes:

1. Shares must be accepted in full or in multiples of 1,000.
2. The Acceptance Form must be forwarded to the above address in an envelope marked "Private and Confidential".
3. The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of the Option.

ANNEX A – RULES OF THE 2020 ESOS

APPENDIX A.3

THE FRENCKEN GROUP EMPLOYEE SHARE OPTION SCHEME 2020

EXERCISE NOTICE

Serial No. _____

Private and Confidential

To: The Committee
Frencken Group Employee Share Option Scheme 2020
Frencken Group Limited
80 Robinson Road
#02-00
Singapore 068898

Total number of ordinary shares in the capital of the Company (the "**Shares**") offered at \$ _____ per Share under the Frencken Group Employee Share Option Scheme 2020 (the "**Scheme**") on _____ (Date of Grant) : _____

Number of Shares previously allotted and issued thereunder : _____

Outstanding balance of Shares to be allotted and issued thereunder : _____

Number of Shares now to be subscribed (in multiples of 1,000) : _____

1. Pursuant to your Letter of Offer dated _____ (Date of Grant) and my acceptance thereof, I hereby exercise the Option to subscribe for _____ Shares in the capital of Frencken Group Limited (the "**Company**") at the Exercise Price of \$ _____ per Share.

2. I hereby request the Company to allot and issue the number of Shares specified in paragraph 1 above in the name of The Central Depository (Pte) Limited ("**CDP**") to the credit of my Securities Account with CDP/*securities sub-account with a Depository Agent/*CPF investment account with a CPF agent bank specified below and to deliver the share certificate(s) relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP/CPF (the "**CDP charges**") and any stamp duties in respect thereof:

*(a) Direct Securities Account Number : _____

or

*(b) Securities Sub-Account Number : _____

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Name of Depository Agent : _____

or

*(c) CPF Investment Account Number : _____

Name of CPF agent bank : _____

3. I enclose a *cheque/cashier's order/bank draft/postal order no. _____ of \$ _____ in payment for the subscription of the total number of the said Shares and *CDP charges of \$ _____.
4. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Scheme and the Constitution of the Company.
5. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.

Please print in block letters

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

*Please delete accordingly.

Notes:

1. An Option may be exercised, in whole or in part, provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof.
2. The Exercise Notice must be forwarded to the above address in an envelope marked "Private and Confidential".
3. The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of the Option.

ANNEX B – RULES OF THE ESAS

THE RULES OF THE FRENCKEN GROUP EMPLOYEE SHARE AWARD SCHEME 2020

1. NAME OF THE SCHEME

The Scheme (as defined below) shall be called the "**Frencken Group Employee Share Award Scheme 2020**".

2. DEFINITIONS

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

"Act" or "Companies Act" : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time

"Adoption Date" : The date on which the Scheme is adopted by the Company in general meeting

"Associate" or "Associates" : (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 thirty per cent. (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 thirty per cent. (30%) or more

"Associated Company" or "Associated Companies" : A company in which at least 20% but no more than 50% of its shares are held by the Company or the Group

"Auditors" : The auditors of the Company for the time being

"Award" : A contingent award of Shares under the Scheme

"Board" : The board of Directors of the Company

"CDP" : The Central Depository (Pte) Limited

ANNEX B – RULES OF THE ESAS

"CPF"	: Central Provident Fund
"Committee"	: A committee comprising Directors and members of the Executive Committee duly authorised and appointed by the Board to administer the Scheme
"Company"	: Frencken Group Limited
"Condition"	: One or more performance or service related conditions prescribed by the Committee which must be satisfied before an Award Vests
"Constitution"	: The constitution of the Company, as amended or modified 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: <ul style="list-style-type: none">(a) holds directly or indirectly fifteen per cent. (15%) or more of the total voting rights in the Company (unless determined by SGX-ST that such person is not a controlling shareholder); or(b) in fact exercises control over the Company
"Date of Grant"	: The date on which the Award is granted to a Participant
"Directors"	: A person holding office as a director for the time being of the Company and/or its subsidiary(ies), as the case may be (including Executive Directors and Non-Executive Directors)
"Executive Committee"	: The executive committee established by the Board to support the Board in carrying out its responsibilities
"Executive Director"	: A director of the Company and/or its subsidiaries, as the case may be, who performs an executive function within the Company or the relevant subsidiary, as the case may be
"Grantee"	: A person to whom an offer of an Award is made
"Group"	: The Company and its subsidiaries
"Group Employee"	: An employee of the Group (including any Executive Director, but excluding any Non-Executive Director) selected by the Committee to participate in the Scheme in accordance with Rule 4
"immediate family"	: In relation to a person, means the person's spouse, child, adopted child, step-child, sibling and parent

ANNEX B – RULES OF THE ESAS

"Listing Manual"	: The listing manual of the SGX-ST
"Market Day"	: A day on which the SGX-ST is open for securities trading
"New Shares"	: The new shares which may be allotted and issued from time to time pursuant to the vesting of an Award under the Scheme
"Non-Executive Director"	: A director of the Company other than one who performs an executive function
"Participant"	: A person who is eligible and who has been selected by the Committee to participate in the Scheme
"Performance Period"	: The period or periods over which the Conditions are measured or tested as specified by the Committee for the purpose of the Award
"Performance Target(s)"	: The performance target(s) prescribed by the Committee to be fulfilled by a Participant for any particular period determined by the Committee
"Record Date"	: The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions
"Rules"	: Rules of the Scheme and any reference to a particular Rule shall be construed accordingly
"Scheme"	: The Frencken Group Employee Share Award Scheme 2020, as the same may be modified or altered from time to time
"Securities Account"	: Securities accounts maintained by depositors with CDP but not including securities sub-accounts maintained with a Depository Agent
"SFA"	: The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
"SGX-ST"	: Singapore Exchange Securities Trading Limited
"Shareholders"	: The registered holders of the Shares, except that where the registered holder is CDP, the term " Shareholders " shall, where the context admits, mean the depositors whose Securities Accounts are credited with the Shares
"Shares"	: Ordinary share(s) in the issued and paid-up capital of the Company
"Subsidiary"	: A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Act

ANNEX B – RULES OF THE ESAS

"Vest" : A Participant becoming entitled to have the Shares underlying his or her Awards allocated to him or her, subject to the Rules (and **Vested** or **Vesting** shall be construed accordingly)

"\$" or **"Dollars"** and **"cents"** : Singapore dollars and cents, respectively

"%" or **"per cent"** : Per centum or percentage

- 2.2. The terms **"Depositor"**, **"Depository Register"** and **"Depository Agent"** shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA or any statutory modification thereof, as the case may be. The term **"treasury shares"** shall have the meaning ascribed to it in Section 4 of the Act.
- 2.3. Words importing the singular number 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 Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in this Scheme shall, where applicable, have the meaning ascribed to it under the Act or any statutory modification thereof, as the case may be.
- 2.5. Any reference to a time of a day in the Scheme is a reference to Singapore time.

3. OBJECTIVES OF THE SCHEME

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

The Scheme will provide the Company with the means to use Awards as part of a compensation plan for attracting as well as promoting long-term staff retention, by providing an opportunity for Group Employees (including Executive Directors) who satisfy the eligibility criteria as set out in Rule 4 of the Scheme, to participate in the equity of the Company.

The Scheme is primarily an equity incentive scheme. It recognises the fact that the services of such Group Employees are important to the current on-going development, growth and success of the Group. Implementation of the Scheme will not only enable the Company to give recognition to the contributions made by such Group Employees but also enable the Company to give such Group Employees a real and meaningful stake in the Company and help the Company to achieve the following objectives:

- (a) to motivate each Participant to achieve and maintain a high level of performance and contribution;
- (b) to retain key Group Employees whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to give recognition to the contributions made by the Participants to the success of the Group;

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- (d) to foster an ownership culture within the Company which aligns the interests of employees with the interests of the Shareholders;
- (e) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders of the Company; and
- (f) to instil loyalty to, and a stronger identification by the participants with the long-term prosperity of, the Group.

4. ELIGIBILITY

- 4.1. Confirmed Group Employees who have attained the age of 21 years on or prior to the relevant Date of Grant and are not undischarged bankrupts and have not entered into a composition with their respective creditors, and who have, as of the Date of Grant, been in the employment of the Group for a period of at least twelve (12) months, or such shorter period as the Committee may determine, shall be eligible to participate in the Scheme at the absolute discretion of the Committee.
- 4.2. The following are not entitled to participate in the Scheme:
 - (a) Directors and employees of Associated Companies;
 - (b) Directors and employees of the Company's parent company and the subsidiaries of the Company's parent;
 - (c) Controlling Shareholders; and
 - (d) Associates of the Controlling Shareholders.
- 4.3. There will be no restriction on the eligibility of any Participant to participate in any other share Award or share incentive schemes implemented by any other companies within the Group.
- 4.4. Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

5. ENTITLEMENT

Subject to Rule 4 and Rule 6, Awards may only be Vested, and consequently any Shares under such Award shall only be delivered to a Group Employee at the absolute discretion of the Committee, which shall take into account, where applicable, criteria such as rank, past performance, years of service and potential development of the Group Employee.

6. LIMITATION ON SIZE OF THE SCHEME

The aggregate number of Shares for which an Award may be granted to a Group Employee on any date under the Scheme, when added to the number of Shares issued and/or issuable in respect of:

- (a) all Awards granted under the Scheme; and

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- (b) all Shares, options or award 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) on the day preceding that date.

If the Company chooses to deliver treasury shares to holders of Awards in lieu of New Shares, such treasury shares that are delivered to holders of Awards pursuant to the Scheme shall, together with all of the Company's existing treasury shares, not at any time exceed ten per cent. (10%) of the total number of issued Shares.

7. GRANT OF AWARDS

- 7.1. The Committee may, save as provided in Rule 4, Rule 5 and Rule 6 (and subject to the Companies Act and any requirements of the SGX-ST), grant Awards to Employees as the Committee may select in its absolute discretion, at any time during the period when the Plan is in force, except that no Award shall be granted during the period of 30 days immediately preceding the date of announcement of the Company's interim and/or final results (whichever the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, offers to grant Awards may only be made on or after the second Market Day on which such announcement is released.
- 7.2. The Committee shall, in its absolute discretion, determine in relation to an Award:
- (a) the number of Shares which are the subject of the Award;
 - (b) the Date of Grant;
 - (c) details of any applicable Conditions, including performance and/or service conditions, and the applicable Performance Period;
 - (d) the time or times at which the applicable Conditions will be tested in respect of the Performance Period (at which time, the Awards may Vest provided the Conditions for the Performance Period have been achieved); and
 - (e) any other relevant terms and conditions to be attached to the Awards allocated under the Scheme.
- 7.3. Upon its decision to grant the Award, the Committee shall as soon as practicable send to the Group Employee an award letter (the "**Award Letter**") in the form set out in Appendix B.1 or in an alternative form otherwise determined by the Committee from time to time confirming such Award.
- 7.4. Awards are personal to the Group Employee to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee's prior written approval, but may be exercised by the Participant's duly appointed personal representative in the event of the death of such Participant.

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- 7.5. In the event that a grant of an Award results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 7.6. Participants are not required to pay for the grant of Awards, unless the Committee determines otherwise or otherwise stated in the Award Letter.
- 7.7. A Participant must not enter into any arrangement or agreement (including derivative products) under which the Participant may alter the economic benefit to be derived from any Awards that remain subject to these Rules, irrespective of future changes in the market price of the underlying Shares.
- 7.8. Where the Participant enters, or purports to enter into any arrangement or agreement described in Rule 7.7, the Awards will immediately lapse.

8. VESTING OF AWARDS

- 8.1. Notwithstanding that a Participant may have satisfied the Condition(s), no Award shall be Vested in the event of:
- (a) the decision of the Committee, in its absolute discretion, to revoke or annul such Award; or
 - (b) subject to Rule 9, the Participant, being a Group Employee, ceases to be in the employment of the Group or ceases to be a Director, in each case, for any reason whatsoever prior to the Vesting of the Award;
 - (c) A Participant commits any breach of any of the terms of his Award;
 - (d) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Award;
 - (e) misconduct or breach of term of employment contract on the part of the Participant, as determined by the Committee in its absolute discretion; or
 - (f) the Company being liquidated or wound-up prior to the Vesting of the Award.
- 8.2. Upon the occurrence of any of the events specified in Rule 8.1, an Award then held by a Participant shall immediately lapse without any claim whatsoever against the Company and/or the Group.
- 8.3. If a Participant has fulfilled his Condition(s) but dies before the Shares under an Award are released, the Shares under the Award shall in such circumstances be given to the personal representatives of the Participant.

9. SPECIFIC RULES ON CESSATION OF EMPLOYMENT

- 9.1. Where a Participant ceases to be an employee of the Group before Awards held by that Participant has Vested, all unvested Awards held by that Participant shall lapse.

ANNEX B – RULES OF THE ESAS

9.2. Notwithstanding Rule 9.1, if a Participant cease to be in the employment of the Group before Awards held by that Participant has Vested by reason of:

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
- (b) redundancy;
- (c) retirement at or after a normal retirement age;
- (d) retirement before that age with the consent of the Committee;
- (e) the Subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such Subsidiary, being transferred otherwise than to another company within the Group; or
- (f) for any other reason approved in writing by the Committee,

and at that time the Participant continues to satisfy any other relevant conditions imposed by the Committee at the time of grant, the Committee may, in its discretion, determine any of the following:

- (i) some or all of the Participant's unvested Awards will be tested at the end of the applicable Performance Period, and Vest to the extent the Conditions have been satisfied; or
- (ii) modify or waive any applicable Conditions or Performance Period in respect of the Awards; and,

in making such determination, the Committee may have regard to the proportion of the Performance Period that has passed and the degree to which any Conditions have been satisfied at the time of cessation of employment.

The Committee will give written notice to each Participant of the number of Shares which are the subject of the Award that will Vest pursuant to this Rule 9.2.

9.3. For the purposes of this Scheme, a Participant will not be treated as ceasing employment until such time as the Participant is no longer an employee of the Group. Notwithstanding the aforesaid, a Participant shall be deemed to have ceased to be in the employment of the Group on the date the notice of termination of employment is tendered by or is given to the Participant, unless such notice shall be withdrawn prior to its effective date.

9.4. A Participant shall be deemed to have ceased to be a Director as of the date the notice of resignation of or termination of directorship, as the case may be, is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

9.5. Subject to applicable laws, at the discretion of the Committee, a Participant who is granted an approved leave of absence and who exercises his right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the Awards Vest, will not be treated for those purposes as ceasing employment.

10. ALTERATION OF CAPITAL

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10.1. If a variation in the number of issued Shares of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, including any dividend or other distribution whether in the form of cash, Shares, other securities, or other property, or a reduction, sub-division or consolidation of the existing Shares, or a reverse stock split, reorganisation, merger, splitup, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares) should 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 Scheme,

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

10.2. Notwithstanding the provisions of Rule 10.1 above, no such adjustment shall be made:

- (a) if as a result, the Participant receives a benefit that a Shareholder does not receive;
- (b) if as a result, such adjustment will result in the number of Shares under an Award, together with new Shares to be issued or issuable under any other share option or share scheme of the Company then in force, to exceed 15% of the total number of issued Shares of the Company (excluding treasury shares) for the time being; or
- (c) unless the Committee after considering all relevant circumstances considers it equitable to do so.

10.3. Unless the Committee considers an adjustment to be appropriate, the following (whether singly or in combination) shall not be regarded as events requiring adjustment under the provisions of this Rule 10:

- (a) any issue of securities as consideration for an acquisition of any assets or of Shares by the Company, or a private placement of securities of the Company;
- (b) any increase in the number of issued Shares as a consequence of the exercise of options or other convertibles issued from time to time by the Company entitling holders thereof to subscribe for new Shares in the capital of the Company;
- (c) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company;
- (d) any issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any case in consideration or part consideration for the acquisition of any other securities, assets or business; and
- (e) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) effected on SGX - ST

ANNEX B – RULES OF THE ESAS

pursuant to a share purchase mandate (or any renewal thereof) given by the shareholders of the Company in general meeting and for the time being in force.

- 10.4. The restriction on the number of Shares to be offered to any Grantee under Rule 5 above, shall not apply to the number of additional Shares issued by virtue of any adjustment to the number of Shares pursuant to this Rule 10.
- 10.5. Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the 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. TESTING OF CONDITIONS

- 11.1. Awards will only Vest once the Committee, in its discretion, determines any relevant Conditions have been satisfied.
- 11.2. Subject to Rule 11.1, following the end of the Performance Period, the Committee will:
- (a) test the applicable Conditions and determine the extent to which the Conditions have been satisfied;
 - (b) the Vesting schedule (if any), pursuant to which an Award shall Vest at the end of each Performance Period, provided the Conditions(s) has been achieved;
 - (c) determine the time when the Awards Vest; and
 - (d) within a reasonable timeframe, notify Participants of the extent to which any applicable Conditions have been satisfied and Awards will Vest or have Vested.
- 11.3. Notwithstanding Rule 11.1, the Committee may, in its discretion, determine that an Award Vests prior to the end of the Performance Period.
- 11.4. Any Award which do not Vest following the testing in Rule 11.2 will lapse.

12. SETTLEMENT OF AWARDS

- 12.1. Subject to any applicable trading restrictions imposed by law, the Company must allocate or procure the transfer of the relevant number of Shares for each Vested Award to, or for the benefit of, the Participant who holds such Vested Awards.
- 12.2. Subject to such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST) and subject to the compliance with the Rules of the Scheme and the Constitution of the Company, the Company shall do any one or more of the following in relation to the exercise of such Option as it deems fit in its sole and absolute discretion:
- (a) allot the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit and the Company

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shall, as soon as practicable after such allotment, apply to the Stock Exchange for permission to deal in and for quotation of such Shares, if necessary; and/or

- (b) transfer existing Shares to the Participant, whether such existing Shares are held as treasury shares or otherwise.

12.3. Subject to Rule 12.1, each Vested Award entitles the Participant to receive the relevant number of Shares in the Company, as set out in the Award Letter.

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

- (b) If the Company issue Shares to the Participant, the Company shall, if necessary, as soon as practicable, apply to the SGX-ST for permission to deal in and for quotation of the Shares which may be issued upon the Vesting of the Award and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.

- (c) Shares which are the subject of an Award by a Participant shall be issued, as the Participant may elect, in his name or, if the Shares are listed and quoted on the SGX-ST, in the name of CDP to the credit of the Securities Account of the Participant maintained with CDP or the Participant's securities sub-account with a CDP Depository Agent.

12.4. Subject to any applicable restriction imposed by the Committee or imposed under these Rules, no restrictions shall apply to any Shares issued and allotted under the Scheme.

12.5. An Award does not confer on a Participant any right to participate in any new issue of Shares,

- (a) except as set out in Rule 13.2; and
- (b) subject to Rule 10.

13. MODIFICATIONS TO THE SCHEME

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

- (a) any modification or alteration which shall alter adversely the rights attaching to any Award granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Award granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Awards in full, would thereby become entitled to Shares representing not less than three-quarters of the total voting rights (or such other requirements as may be prescribed by the SGX-ST) of all the Shares

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which would fall to be Vested upon release of all outstanding Awards upon the Performance Target(s) for all outstanding Awards being satisfied in full;

- (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of the Shareholders in general meeting, save that Shareholders who are also holders of Awards shall be required to abstain from voting in respect of any resolution relating to such modification or alteration; and
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST or (if required) any other stock exchange on which the Shares are quoted and listed, and such other regulatory authorities as may be necessary.

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

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

14. DURATION OF THE SCHEME

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

15. TAKE-OVER AND WINDING UP OF THE COMPANY

- 15.1. In the event of a take-over or exit offer being made for the Company, notwithstanding Rule 8 but subject to Rule 15.5, Participants shall be entitled to the Shares under the Awards if the applicable Conditions have been satisfied (or estimated to have been satisfied) for the

ANNEX B – RULES OF THE ESAS

corresponding Performance Period. For the avoidance of doubt, the Vesting of such Awards will not be affected by the take-over offer.

- 15.2. If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant shall be entitled, notwithstanding the provisions under this Rule 15 but subject to Rule 15.5, to any Shares under the Awards so determined by the Committee to be released to him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later, if the applicable Conditions have been satisfied (or estimated to have been satisfied) for the corresponding Performance Period by the Participant.
- 15.3. If an order is made or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Awards, notwithstanding that Shares may have not been released to the Participants, shall be deemed or become null and void.
- 15.4. In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company (other than for amalgamation or reconstruction), the Company shall on the same date or soon after it despatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provisions of this Rule 15.4) and thereupon, the Shares under the Awards shall be released to the Participant for so long as, in the absolute determination by the Committee, the applicable Conditions have been satisfied (or estimated to have been satisfied) by the Participant for the corresponding Performance Period prior to the date on which the members' voluntary winding-up is deemed to have commenced or is effective in law.
- 15.5. If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding up referred to in Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the payment of cash or otherwise, no release of Shares under the Award shall be made in such circumstances.

16. ADMINISTRATION OF THE SCHEME

- 16.1. The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as may be conferred on it by the Board provided that a member of the Committee who is a Participant shall not be involved in the deliberations or decisions of the Committee in respect of the Awards to be granted to him.
- 16.2. The Committee shall have the power, from time to time, to make or vary such rules and regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.
- 16.3. Any decision of the Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors who are to act as experts and not as arbitrators), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Scheme or any rule, regulation, or procedure thereunder or as to any rights under the Scheme).

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- 16.4. A Director shall not be involved in the Committee's deliberation in respect of Awards or Shares granted to him.
- 16.5. The exercise of any powers under these Rules by the Committee is subject to any restrictions or procedural requirements relating to the amendment of the rules of an employee incentive scheme or of issued options imposed by Singapore law or by the Listing Manual and applicable to the Scheme or Awards, as the case may be, unless those restrictions, conditions or requirements are relaxed or waived by the SGX-ST or any of its delegates either generally or in a particular case or class of cases and either expressly or by implication.

17. NOTICES

- 17.1. 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 as may be notified by the Company to him in writing.
- 17.2. 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 or persons as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address according to the records of the Company and if sent by post, shall be deemed to have been given on the day following the date of posting.
- 17.3. Any notice sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is posted, and in proving such service by post, it shall be sufficient to prove that the letter or wrapper containing the same was properly addressed and put into the post office as a prepaid letter or wrapper.

18. TERMS OF EMPLOYMENT UNAFFECTED

- 18.1. The Scheme or any Awards shall not form part of any contract of employment between the Company or any Subsidiary and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Scheme or any right which he may have to participate in it or any Award which he may hold and the Scheme or any Award shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.
- 18.2. The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against the Company and/or any Subsidiary directly or indirectly or give rise to any cause of action at law or in equity against the Company and/or any Subsidiary.

19. TAXES

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

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20. COSTS AND EXPENSES OF THE SCHEME

- 20.1. Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of any Award 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 Depository Agent or CPF investment account with a CPF agent bank and all taxes referred to in Rule 19 which shall be payable by the relevant Participant.
- 20.2. Save for such costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Award shall be borne by the Company.

21. CONDITION OF AWARD

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

22. DISCLAIMER OF LIABILITY

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

23. DISCLOSURES IN ANNUAL REPORT

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

- (a) The names of the members of the Committee;
- (b) The information required in the table below for the following Participants:
- (i) Participants who are Directors of the Company;
 - (ii) Participants who are Controlling Shareholders and their Associates; and
 - (iii) Participants, other than those in (i) and (ii) above who receive five per cent. (5%) or more of the total number of Awards available under the Scheme.

Name of Participant	Awards granted during	Aggregate Awards granted since	Aggregate number of Shares under the Awards which have	Aggregate number of Shares
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ANNEX B – RULES OF THE ESAS

	financial year under review (including terms)	commencement of the Scheme to end of financial year under review	been allotted and/or transferred pursuant to the Vesting of Awards since commencement of the Scheme to the end of the financial year under review	under the Awards which have not been released as at the end of the financial year under review
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- (c) (i) The names of and number and terms of Awards granted to each Director or Group Employee who receives 5% or more of the total number of Awards available to all Directors or Group Employees under the Scheme, during the financial year under review; and (ii) The aggregate number of Awards granted to the Directors or Group Employees for the financial year under review, and since the commencement of the Scheme to the end of the financial year under review.
- (d) Any other information required to be disclosed pursuant to the Listing Manual and all other applicable laws and requirements.

Where any of the above requirements are not applicable, an appropriate negative statement should be included therein.

24. ABSTENTION FROM VOTING

Grantees who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the Scheme, including (a) implementation of the Scheme; (b) discount quantum; and (c) participation by and grant of Awards to Controlling Shareholders and their Associates.

25. 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.

26. GOVERNING LAW

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

THE FRENCKEN GROUP EMPLOYEE SHARE AWARD SCHEME 2020

LETTER OF AWARD

Serial No. _____

Private and Confidential

[Date]

To: [Name]
[Designation]
[Address]

Dear Sir/Madam

GRANT OF AWARD SHARES UNDER THE FRENCKEN GROUP EMPLOYEE SHARE AWARD SCHEME 2020 FOR [FINANCIAL YEAR]

1. As part of your overall compensation package, the Frencken Group Employee Share Award Scheme 2020 (“**ESAS**”) gives recognition to outstanding employees of the Company and the Group who have contributed to the long-term growth and profitability of the Company and the Group.
2. We are pleased to inform you that you are eligible to participate in the ESAS, and will be granted an award of shares in the Company (“**Award**”), the particulars of which are as set out below:
 - 2.1. Award date: [●]
 - 2.2. Number of shares which are the subject of the Award: [●] (“**Award Shares**”)
 - 2.3. Performance period which the Award relates to: [●] to [●]
 - 2.4. Performance condition which the Award relates to: [●]
 - 2.5. Release of Award Shares (“**Released Award**”):

Vesting Periods	Release Schedule (As a percentage of the number of Award Shares to be released)
FY [Year A]	[●]%
FY [Year B]	[●]%
FY [Year C]	[●]%

3. You are not required to pay for the grant of the Award Shares.

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4. The Award is governed by the terms and conditions of the ESAS. In particular, pursuant to Rule 9 of the ESAS, should your service with the Company end prior to the release of the Award Shares, all unreleased Award Shares shall immediately lapse.
5. The Released Award is determined by both the Group's performance and your individual performance during the performance period and it may differ from the Award Shares.
6. Upon vesting of the Released Award, they will be credited to your CDP securities account, as soon as practicable.
7. Please kindly note that the grant is part of your total compensation and should be kept strictly confidential. I look forward to the continued success of the Company and the Group with your support.

Yours faithfully

THE COMMITTEE
FRENCKEN GROUP LIMITED
FRENCKEN GROUP EMPLOYEE SHARE AWARD SCHEME 2020

NOTICE OF EXTRAORDINARY GENERAL MEETING

FRENCKEN GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199905084D)

Unless otherwise defined, all capitalised terms herein shall bear the same meaning as used in the circular dated 8 April 2020 issued by Frencken Group Limited to its shareholders (the "Circular").

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of Frencken Group Limited (the "**Company**") will be held at Mandarin Orchard Hotel, Level 5, Main Tower, Grange Ballroom, 333 Orchard Rd, Singapore 238867 on 23 April 2020 at 3.30 p.m. (or soon thereafter as the AGM of the Company convened on the same day and at the same place at 2.30 p.m. shall have concluded or shall have been adjourned) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1: THE PROPOSED ADOPTION OF THE FRENCKEN GROUP EMPLOYEE SHARE OPTION SCHEME 2020

THAT:

- (a) the employee share option scheme to be known as the "Frencken Group Employee Share Option Scheme 2020" ("**ESOS**"), particulars of which are set out in the Circular, under which options ("**Options**") may be granted to selected Employees and Directors of the Company and/or its subsidiaries who have attained the age of 21 years, to subscribe for ordinary shares (the "**Shares**") in the capital of the Company, particulars of which are set out in the Circular dated 8 April 2020 (the "**Circular**") be and is hereby approved; and;
- (b) the Board of Directors of the Company be and is hereby authorised:-
 - (i) to establish and administer the ESOS;
 - (ii) to modify and/or amend the ESOS from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the ESOS and to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the ESOS;
 - (iii) to offer and grant Options in accordance with the provisions of the ESOS and pursuant to Section 161 of the Companies Act (Cap. 50) of Singapore to allot and issue and/or deliver from time to time such number of fully paid-up Shares as may be required to be issued or delivered pursuant to the exercise of Options provided that the aggregate number of Shares available pursuant to the ESOS, and any other share-based schemes of the Company, shall not exceed 15% of the total issued Shares of the Company (excluding any treasury shares) from time to time; and
 - (iv) to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this resolution.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 2: THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS AT A DISCOUNT UNDER THE PROPOSED FRENCKEN GROUP EMPLOYEE SHARE OPTION SCHEME 2020

THAT:

subject to and contingent upon the passing of Ordinary Resolution 1 being approved, approval be and is given for:

- (a) the maximum discount that may be given under the Scheme to be up to 20% of the Market Price (as defined hereinbelow) for the Shares at the time of the grant of the Option (or such other maximum quantum of percentage prescribed or permitted by SGX-ST at the relevant time); and
- (b) the Directors of the Company be and are hereby authorised to offer and grant Options in accordance with the rules of the Scheme with exercise prices set at a discount to the market price (being a price equal to the average of the last dealt prices for the Shares on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") over the five (5) consecutive market days on which the Shares are traded on the SGX-ST immediately preceding the date of grant of that Option, as determined by the Committee authorised and appointed to administer the Scheme by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices) ("**Market Price**"), provided that such discount does not exceed the relevant limits set by the SGX-ST.

ORDINARY RESOLUTION 3: THE PROPOSED ADOPTION OF THE FRENCKEN GROUP EMPLOYEE SHARE AWARD SCHEME

THAT:

- (a) the employee share award scheme to be known as the "Frencken Group Employee Share Award Scheme 2020" ("**ESAS**") particulars of which are set out in the Circular, under which awards ("**Awards**") of Shares may be granted to Employees and Directors of the Company and/or its subsidiaries who have attained the age of 21 years, be and is hereby approved; and.
- (b) the Board of Directors of the Company be and is hereby authorised:-
 - (i) to establish and administer the ESAS;
 - (ii) to modify and/or amend the ESAS from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the ESAS and to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the ESAS;
 - (iii) to grant Awards in accordance with the provisions of the ESAS and pursuant to Section 161 of the Companies Act (Cap. 50) of Singapore and to allot and issue, transfer and/or deliver from time to time such number of fully paid-up Shares as may be required to be issued or delivered;
 - (iv) pursuant to the vesting of Awards provided that the aggregate number of Shares available pursuant to the ESAS, and any other share-based schemes of the Company, shall not exceed 15% of the total issued Shares of the Company (excluding treasury shares) from time to time;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (v) to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this resolution.

BY ORDER OF THE BOARD FRENCKEN GROUP LIMITED

Dennis Au
President; Executive Director
8 April 2020

Notes:

1. Each of the resolutions to be put to the vote of members at the EGM (and at any adjournment thereof) will be voted by way of a poll.
 - (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
 - (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
 - (c) "relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
2. A proxy need not be a member of the Company. An instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02 Singapore 068898 not less than 48 hours before the time for holding the EGM or any adjournment thereof.
3. The instrument appointing a proxy must be signed by the appointor or his attorney. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be either executed under its common seal or signed on its behalf by an attorney or a duly authorized officer of the corporation.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/ or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or

NOTICE OF EXTRAORDINARY GENERAL MEETING

representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

FRENCKEN GROUP LIMITED(Company Registration No. 199905084D)
(Incorporated in the Republic of Singapore)**IMPORTANT:**

1. A relevant intermediary may appoint more than two proxies to attend the Extraordinary General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy the Company's shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is set solely **FOR INFORMATION ONLY**.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

**PROXY FORM
EXTRAORDINARY GENERAL MEETING**

I/We* _____ (Name)

of _____ (Address)

being a member/members* of Frencken Group Limited (the "Company") hereby appoint:

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

and/or (delete as appropriate)*

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Extraordinary General Meeting (the "Meeting") of the Company to be held at Mandarin Orchard Hotel, Level 5, Main Tower, Grange Ballroom, 333 Orchard Rd, Singapore 238867 on 23 April 2020 at 3.30 p.m. (or soon thereafter as the AGM of the Company convened on the same day and at the same place at 2.30 p.m. shall have concluded or shall have been adjourned).

*I/We direct *my/our *proxy/proxies to vote for or against, or abstain from voting the Ordinary Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.		Number of votes for ⁽¹⁾	Number of votes against ⁽¹⁾	Abstain ⁽¹⁾
1	Ordinary Resolution 1: Proposed Adoption Of The Frencken Group Employee Share Option Scheme 2020			
2	Ordinary Resolution 2: Proposed Grant Of Authority To Offer And Grant Options At A Discount Under The Proposed Frencken Group Employee Share Option Scheme 2020			
3	Ordinary Resolution 3: Proposed Adoption Of The Frencken Group Employee Share Award Scheme 2020			

⁽¹⁾ If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark "X" in the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution.

Dated this _____ day of _____ 2020

Total Number of Shares in:	No. of Shares
(i) CDP Register	
(ii) Register of Members	
Total	

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

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding (expressed as percentage of the whole) to be represented by each proxy. If no such proportion is specified, the first named proxy shall be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named proxy.
4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.
5. "Relevant Intermediary" means:
 - (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who hold shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

(1) *Fold along this line*

Affix
Postage
Stamp

The Company Secretary
FRENCKEN GROUP LIMITED
c/o Tricor Barbinder Share Registration Services
80 Robinson Road #11-02
Singapore 068898

FRENCKEN GROUP LIMITED

(2) *Fold along this line*

6. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Meeting.
7. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02 Singapore 068898 not less than 48 hours before the time appointed for the Meeting.
8. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter of power of attorney or a duly certified copy thereof must be lodged with the instrument.
9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 8 April 2020.

GENERAL

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.