



## **AEM HOLDINGS LTD.**

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 200006417D)

### **Directors:**

Loke Wai San	(Non-Executive Chairman)
James Toh Ban Leng	(Lead Independent Director)
Loh Kin Wah	(Independent Director)
Chou Yen Ning @ Alice Lin	(Independent Director)
Chok Yean Hung	(Non-Executive, Non-Independent Director)
Tham Min Yew	(Non-Executive, Non-Independent Director)
André Andonian	(Independent Director)

### **Registered Office:**

52 Serangoon North  
Avenue 4  
Singapore 555853

Date 8 April 2024

To The Shareholders

Dear Sir/Madam

### **ADDENDUM RELATING TO:**

- (1) RENEWAL OF THE SHARE PURCHASE MANDATE**
- (2) PROPOSED ADOPTION OF THE AEM RESTRICTED SHARE PLAN 2024**
- (3) PROPOSED AMENDMENTS TO THE AEM PERFORMANCE SHARE PLAN 2017**

### **1.0 INTRODUCTION**

**1.1** Please refer to the notice of annual general meeting of AEM Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") dated 8 April 2024 (the "**Notice**") accompanying the annual report for financial year ended 31 December 2023 (the "**Annual Report 2023**"), convening the annual general meeting of the Company (the "**2024 AGM**") which is scheduled to be held on 24 April 2024. Further, please refer to:

- (a) Ordinary Resolution 8 of the Notice, which is in relation to the renewal of the share purchase mandate;
- (b) Ordinary Resolution 9 of the Notice, which is in relation to the proposed adoption of the AEM Restricted Share Plan 2024 (the "**AEM RSP 2024**");
- (c) Ordinary Resolution 10 of the Notice, which is subject to and contingent upon Ordinary Resolution 9 being passed, and which is in relation to the empowering of the Directors to issue shares in connection with the AEM RSP 2024;
- (d) Ordinary Resolution 11 of the Notice, which is subject to and contingent upon Ordinary Resolution 9 being passed, which is in relation to the proposed amendments to the AEM Performance Share Plan 2017 (the "**AEM PSP 2017**"); and
- (e) Ordinary Resolution 12 of the Notice, which is in relation to the empowering of the Directors to issue shares in connection with the AEM PSP 2017.

- 1.2 The purpose of this letter (the "**Letter**") is to provide Shareholders with information relating to the above matters and seek Shareholders' approval for the same at the 2024 AGM.
- 1.3 The Singapore Exchange Securities Trading Limited ("**SGX-ST**") has granted approval in-principle for the listing and quotation of the new Shares to be issued pursuant to the AEM RSP 2024, subject to (i) the Company's compliance with the SGX-ST's listing requirements and guidelines and (ii) independent Shareholders' approval being obtained for the AEM RSP 2024. Such approval in-principle does not extend to and shall not be taken as an indication of the merits of the AEM RSP 2024, the new Shares, the Company and/or its subsidiaries.
- 1.4 As Ordinary Resolutions 10 and 11 of the Notice are subject to and contingent upon Ordinary Resolution 9 being passed, if Ordinary Resolution 9 is not passed, Ordinary Resolutions 10 and 11 will not be passed as well.
- 1.5 Lee & Lee is the legal adviser to the Company as to Singapore law in relation to the renewal of the share purchase mandate, the proposed adoption of the AEM RSP 2024 and the proposed amendments to the AEM PSP 2017.

## 2.0 SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The SGX-ST assumes no responsibility for the accuracy of any statements made, opinions expressed or reports contained in this Letter.

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

## 3.0 RENEWAL OF THE SHARE PURCHASE MANDATE

### 3.1 The Existing Share Purchase Mandate

At the annual general meeting of the Company held on 27 April 2023 (the "**2023 AGM**"), the shareholders of the Company (the "**Shareholders**") had approved, *inter alia*, the renewal of the share purchase mandate (the "**Share Purchase Mandate**") to enable the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "**Shares**") as permitted under and in accordance with the provisions of the Companies Act 1967 of Singapore (the "**Companies Act**"). The authority and limitations on the Share Purchase Mandate were set out in the Company's letter to Shareholders dated 10 April 2023 and Ordinary Resolution 9 set out in the notice of annual general meeting of the Company dated 10 April 2023.

### 3.2 Proposed Renewal of the Share Purchase Mandate

The Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution 9 at the 2023 AGM until the date on which the next annual general meeting of the Company is held or is required by law to be held or until the date on which the authority conferred by the 2023 AGM is revoked or varied by the Company in general meeting, whichever is the earliest.

As the Share Purchase Mandate granted at the 2023 AGM is due to expire on 24 April 2024, being the date of the forthcoming 2024 AGM, the Directors of the Company (the "**Directors**") as at the date of this Letter, will be seeking Shareholders' approval for the proposed renewal of the Share Purchase Mandate at the forthcoming 2024 AGM.

The purpose of this Letter is to provide Shareholders with information relating to the proposal for the renewal of the Share Purchase Mandate to be tabled at the 2024 AGM.

If approved by Shareholders at the 2024 AGM, the authority conferred by the Share Purchase Mandate will continue in force until, *inter alia*, the next annual general meeting (whereupon it will lapse, unless renewed at such meeting) or until it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the next annual general meeting).

### **3.3 Rationale for the Share Purchase Mandate**

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

- (a) the Directors and Management are constantly seeking to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Group. A share purchase at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced;
- (b) share purchases or acquisitions provide the Company with a mechanism to return surplus cash over and above the ordinary capital requirements, in an expedient and cost efficient manner. Share purchases or acquisitions also accord the Company with greater flexibility over its share capital structure and may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the earnings per share ("**EPS**") and/or net asset value ("**NAV**") per share of the Company;
- (c) the Share Purchase Mandate will give the Company the flexibility to, subject to market conditions, undertake purchases or acquisitions of its Shares at any time during the period that the Share Purchase Mandate is in force; and
- (d) Shares purchased or acquired pursuant to the Share Purchase Mandate and which are held as treasury shares may be utilised by the Company in the manner provided in the Companies Act. The Share Purchase Mandate will allow the Directors to effectively manage and minimise the dilution impact (if any) associated with employee share schemes and shares issuance as consideration for merger and acquisition programs.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the 10% limit described in Paragraph 3.4.1 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised and no purchases or acquisitions of Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company or result in the Company being de-listed from the SGX-ST.

### **3.4 Authority and Limits of the Share Purchase Mandate**

The authority and limitations placed on the purchases or acquisitions of Shares by the Company under the Share Purchase Mandate, if renewed at the 2024 AGM, are the same as previously approved by the Shareholders at the 2023 AGM, and are as summarised below:

#### **3.4.1 Maximum Number of Shares**

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the 2024 AGM at which the renewal of the Share Purchase Mandate is approved.

Purely for illustrative purposes, on the basis of a total of 308,901,357 issued Shares (excluding treasury shares and subsidiary holdings) as at 15 March 2024, being the latest practicable date prior to the issue of this Letter (the "**Latest Practicable Date**"), the purchase or acquisition by the Company of up to the maximum limit of 10% of the total number of its issued Shares (excluding treasury shares and subsidiary holdings) will result in the purchase or acquisition by the Company of up to 30,890,135 Shares, and also assuming that no further Shares are issued and there are no subsidiary holdings on or prior to the 2024 AGM. As at the Latest Practicable Date, the Company is holding 2,985,129 Shares as treasury shares and has no subsidiary holdings.

### **3.4.2 Duration of Authority**

Purchases or acquisitions of Shares by the Company may be made, at any time and from time to time, on and from the date of the 2024 AGM at which the renewal of the Share Purchase Mandate is approved, up to the earliest of:

- (a) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in a general meeting; or
- (c) the date on which the purchases or acquisitions of Shares have been carried out to the full extent mandated.

The Share Purchase Mandate may be renewed by the Shareholders at the next annual general meeting or at any other general meeting of the Company.

### **3.4.3 Manner of Purchases or Acquisitions of Shares**

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

- (a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the SGX-ST's trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchases**") in accordance with an equal access scheme as defined in Section 76C of the Companies Act.

In an Off-Market Purchase, the Directors may impose such terms and conditions which are consistent with the Share Purchase Mandate, the Listing Manual of the SGX-ST (the "**Listing Manual**"), the Constitution of the Company, the Companies Act and other applicable laws and regulations as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes.

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

- (i) the offers under the scheme are to be made to every person who holds shares to purchase or acquire the same percentage of their shares;
- (ii) all of those persons have a reasonable opportunity to accept the offers made to them; and

- (iii) the terms of all the offers are the same, except that there must be disregarded (1) differences in consideration attributable to the fact that the offers relate to shares with different accrued dividend entitlements, (2) differences in consideration attributable to the fact that the offers relate to shares with different amounts remaining unpaid and (3) differences in the offers introduced solely to ensure that each member is left with a whole number of shares.

Under the Listing Manual, in making an Off-Market Purchase, a listed company must issue an offer document to all shareholders containing, *inter alia*, the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed share purchases;
- (iv) the consequences, if any, of share purchases by the listed company that will arise under The Singapore Code on Take-overs and Mergers (the "**Take-over Code**") or other applicable take-over rules;
- (v) whether the share purchases, if made, could affect the listing of the listed company's equity securities on the SGX-ST;
- (vi) details of any share purchase made by the listed company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (vii) whether the shares purchased by the listed company will be cancelled or kept as treasury shares.

#### **3.4.4 Maximum Purchase Price**

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors, provided that such purchase price must not exceed:

- (a) in the case of Market Purchases, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of Off-Market Purchases, 110% of the Average Closing Price,

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

For the purposes of this Letter:

**"Average Closing Price"** means the average of the Closing Market Prices of the Shares for the five (5) consecutive market days on which the Shares are transacted on the SGX-ST immediately preceding the day of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during such five-market day period and the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

“**Closing Market Price**” means the last dealt price for a Share transacted through the SGX-ST’s trading system as shown in any publication of the SGX-ST or other sources; and

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

### 3.5 Status of Purchased Shares

Shares purchased or acquired by the Company will be dealt with in such manner as may be permitted by the Companies Act.

Under the Companies Act, any Share purchased or acquired by the Company is deemed to be cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share will expire on cancellation) unless such Share is held by the Company as treasury shares in accordance with Section 76H to 76K of the Companies Act.

#### 3.5.1 Treasury Shares

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

- (a) **Maximum Holdings** – The aggregate number of Shares held by the Company as treasury shares must not at any time exceed ten per cent (10%) of the total number of issued Shares at that time. In the event that the aggregate number of treasury shares held by the Company exceeds the aforesaid limit, the Company must dispose of or cancel the excess treasury shares within six (6) months from the day the aforesaid limit is first exceeded.
- (b) **Voting and Other Rights** – The Company must not exercise any right in respect of the treasury shares. In particular, the Company must not exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company is to be treated as having no right to vote and the treasury shares are to be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company’s assets (including any distribution of assets to members of the Company on a winding up) may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of the treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a greater or smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

- (c) **Disposal and Cancellation** – Where Shares are held as treasury shares, the Company may at any time:
  - (i) sell the treasury shares (or any of them) for cash;
  - (ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
  - (iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;

- (iv) cancel the treasury shares (or any of them); or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister for Finance may by order prescribe.

In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as (A) the date of the sale, transfer, cancellation and/or use of such treasury shares, (B) the purpose of such sale, transfer, cancellation and/or use of such treasury shares, (C) the number of treasury shares which have been sold, transferred, cancelled and/or used, (D) the number of treasury shares before and after such sale, transfer, cancellation and/or use, (E) the percentage of the number of treasury shares against the total number of shares outstanding (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and (F) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

### **3.5.2 Purchased or Acquired Shares Cancelled**

Under the Companies Act, where Shares purchased or acquired by the Company are cancelled, the Company must:

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

by the total amount of the purchase price paid by the Company for the Shares cancelled, which includes any expenses (including brokerage or commission) incurred directly in such purchase or acquisition of Shares.

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following such cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are cancelled and not held as treasury shares.

### **3.6 Source of Funds**

In purchasing or acquiring its Shares, the Company may only apply funds legally available for such purchase or acquisition as provided in the Constitution of the Company and in accordance with applicable laws in Singapore. Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent. For this purpose, a company is "solvent" if at the time of the payment, the following conditions are satisfied:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if:
  - (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or

- (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use the Group's internal sources of funds (comprising bank balances and cash equivalents) to finance the Company's purchases or acquisitions of Shares pursuant to the Share Purchase Mandate. The Company has not obtained or incurred, nor does it intend to obtain or incur any borrowings to finance the purchase or acquisition of Shares under the Share Purchase Mandate. The amount of funding required for the Company to purchase or acquire Shares under the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that it would materially and adversely affect the working capital requirements, the gearing levels of the Group and the financial position of the Group taken as a whole.

### **3.7 Financial Effects**

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the price paid for such Shares, whether the purchase or acquisition is made out of capital or profits of the Company, the amount (if any) borrowed by the Group to fund the purchases or acquisitions, and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group, based on the audited financial statements of the Group for the financial year ended 31 December 2023, are based on the assumptions set out below:

#### **3.7.1 Purchase or Acquisition of Shares made out of Profits and/or Capital**

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage commission, applicable goods and services tax and other related expenses) will correspondingly reduce the profits available for distribution as dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the profits available for distribution as dividends by the Company will not be reduced.

#### **3.7.2 Number of Shares Acquired or Purchased**

As of 31 December 2023, the Company was holding 2,985,129 Shares as treasury shares and has no subsidiary holdings. Based on 308,901,357 Shares in issue (excluding treasury shares and subsidiary holdings) as at 31 December 2023 and assuming that no further Shares are issued, no further Shares are purchased or acquired and held by the Company as treasury shares and there are no subsidiary holdings on or prior to the 2024 AGM, the purchase or acquisition by the Company of up to the maximum limit of 10% of the total number of its issued Shares (excluding treasury shares and subsidiary holdings) will result in the purchase or acquisition by the Company of up to 30,890,135 Shares.



### **3.7.3 Maximum Price Paid for Shares Acquired or Purchased**

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 30,890,135 Shares at the maximum price of S\$2.39 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 30,890,135 Shares is S\$73,827,423.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 30,890,135 Shares at the maximum price of S\$2.51 for each Share (being the price equivalent to 110% of the Average Closing Price of the Shares for the five (5) consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 30,890,135 Shares is approximately S\$77,534,239.

### **3.7.4 Illustrative Financial Effects**

It is not possible for the Company to realistically calculate or quantify the financial effects of Share purchases or acquisitions that may be made pursuant to the Share Purchase Mandate as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

Based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2023, the Group has positive equity of approximately S\$467 million to effect purchases of its Shares from the market. However, for illustrative purposes only, assuming that:

- (i) the Company purchases 30,890,135 Shares representing the maximum 10% of its total number of issued Shares excluding treasury shares, as at 31 December 2023;
- (ii) the aforesaid 30,890,135 Shares are purchased at the maximum price of S\$2.39 per Share, being a price representing 105% of the Average Closing Price as at the Latest Practicable Date;
- (iii) the Share purchases were made out of Company's capital; and
- (iv) the Share purchases took place on 1 January 2023 and Shares purchased were (a) cancelled; or (b) held as treasury shares,

and for purposes of this illustration, it is assumed that the Company is using only internal sources of funds to finance purchases of its Shares from the market and that the purchased Shares are cancelled or held in treasury, the financial effects of the purchase of Shares by the Company pursuant to the Share Purchase Mandate on the Company's and the Group's audited financial statements for FY2023 would be as set out below:

## **Scenario A**

Market Purchases of up to 10% made out of Capital and cancelled

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
<b>As at 31 December 2023 (S\$'000)</b>				
Shareholders' Funds	477,547	403,720	196,067	122,240
Treasury Shares	(10,091)	(10,091)	(10,091)	(10,091)
Total Shareholders' Funds	467,456	393,629	185,976	112,149
Net Asset Value ("NAV")	467,456	393,629	185,976	112,149
Current Assets	490,820	416,993	108,217	74,977
Current Liabilities	175,588	175,588	5,187	45,774
Working Capital	315,232	241,405	103,030	29,203
Total Borrowings	92,003	92,003	–	–
Cash and Cash Equivalents	101,849	28,022	33,240	–
<b>Number of Shares ('000)</b>				
Issued and paid-up share capital (net of treasury shares)	308,901	278,011	308,901	278,011
Weighted average number of issued and paid-up Shares	308,857	277,967	308,857	277,967
<b>Financial Ratios</b>				
NAV per Share (Singapore cents)	151.33 <sup>(1)</sup>	141.59 <sup>(2)</sup>	60.21 <sup>(1)</sup>	40.34 <sup>(2)</sup>
Gearing Ratio (times) <sup>(3)</sup>	0.20	0.23	0.00	0.00
Current Ratio (times) <sup>(4)</sup>	2.80	2.37	20.86	1.64
EPS – Basic (Singapore cents)	(0.40) <sup>(1)</sup>	(0.44) <sup>(2)</sup>	2.41 <sup>(1)</sup>	2.68 <sup>(2)</sup>

### **Notes:**

- <sup>(1)</sup> The NAV per Share and basic EPS were calculated based on the number of Shares in issue (excluding treasury shares and subsidiary holdings) of 308,901,357 at the end of FY2023 and the weighted average number of Shares in issue (excluding treasury shares and subsidiary holdings) of 308,856,592 for FY2023 respectively before adjusting for the share purchase.
- <sup>(2)</sup> The NAV per Share and basic EPS were calculated based on the number of Shares in issue (excluding treasury shares and subsidiary holdings) of 278,011,222 at the end of FY2023 and weighted average number of Shares in issue (excluding treasury shares and subsidiary holdings) of 277,966,865 for FY2023 respectively after adjusting for the share purchase.
- <sup>(3)</sup> Gearing ratio is computed using total borrowings divided by Total Shareholders' Fund at the end of FY2023.
- <sup>(4)</sup> Current Ratio is computed using current assets divided by current liabilities.

## **Scenario B**

Market Purchases of up to 10% made out of Capital and held in treasury

	<b>Group</b>		<b>Company</b>	
	<b>Before Share Purchase</b>	<b>After Share Purchase</b>	<b>Before Share Purchase</b>	<b>After Share Purchase</b>
<b>As at 31 December 2023 (S\$'000)</b>				
Shareholders' Funds	477,547	477,547	196,067	196,067
Treasury Shares	(10,091)	(83,918)	(10,091)	(83,918)
Total Shareholders' Funds	467,456	393,629	185,976	112,149
Net Asset Value ("NAV")	467,456	393,629	185,976	112,149
Current Assets	490,820	416,993	108,217	74,977
Current Liabilities	175,588	175,588	5,187	45,774
Working Capital	315,232	241,405	103,030	29,203
Total Borrowings	92,003	92,003	–	–
Cash and Cash Equivalents	101,849	28,022	33,240	–
<b>Number of Shares ('000)</b>				
Issued and paid-up share capital (net of treasury shares)	308,901	278,011	308,901	278,011
Weighted average number of issued and paid-up Shares	308,857	277,967	308,857	277,967
<b>Financial Ratios</b>				
NAV per Share (Singapore cents)	151.33 <sup>(1)</sup>	141.59 <sup>(2)</sup>	60.21 <sup>(1)</sup>	40.34 <sup>(2)</sup>
Gearing Ratio (times) <sup>(3)</sup>	0.20	0.23	0.00	0.00
Current Ratio (times) <sup>(4)</sup>	2.80	2.37	20.86	1.64
EPS – Basic (Singapore cents)	(0.40) <sup>(1)</sup>	(0.44) <sup>(2)</sup>	2.41 <sup>(1)</sup>	2.68 <sup>(2)</sup>

### **Notes:**

- <sup>(1)</sup> The NAV per Share and basic EPS were calculated based on the number of Shares in issue (excluding treasury shares and subsidiary holdings) of 308,901,357 at the end of FY2023 and the weighted average number of Shares in issue (excluding treasury shares and subsidiary holdings) of 308,856,592 for FY2023 respectively before adjusting for the share purchase.
- <sup>(2)</sup> The NAV per Share and basic EPS were calculated based on the number of Shares in issue (excluding treasury shares and subsidiary holdings) of 278,011,222 at the end of FY2023 and weighted average number of Shares in issue (excluding treasury shares and subsidiary holdings) of 277,966,865 for FY2023 respectively after adjusting for the share purchase.
- <sup>(3)</sup> Gearing ratio is computed using total borrowings divided by Total Shareholders' Fund at the end of FY2023.
- <sup>(4)</sup> Current Ratio is computed using current assets divided by current liabilities.

As at 31 December 2023, the Group and Company had cash and bank balances of S\$102 million and S\$33 million respectively. In order to effect a Share Purchase of up to 30,890,135 shares at the Maximum Price computed at the Latest Practicable Date, cash reserves by the Company of S\$74 million will be required. Assuming the full exercise of the Share Purchases, the Company currently does not have sufficient cash to purchase all the Shares. Hence, for illustration purposes, it is assumed the Company received internal funding from subsidiaries to finance the Share Purchases.

As illustrated above, the purchase of Shares will reduce (i) the working capital from S\$315 million to S\$241 million, (ii) the NAV per Share of the Group as at 31 December 2023 from 151.33 Singapore cents per Share to 141.59 Singapore cents per Share and (iii) the NAV per Share of the Company as at 31 December 2023 from 60.21 Singapore cents per Share to 40.34 Singapore cents per Share respectively assuming that all share purchases are funded through internal sources.

Assuming that the purchase of Shares had taken place on 1 January 2023, the consolidated basic loss per Share of the Group for FY2023 would increase from (0.40) Singapore cents per Share to (0.44) Singapore cents per Share as a result of the reduction in the number of issued Shares.

**Shareholders should note that the financial effects set out in this section are purely for illustrative purposes only and are not necessarily representative of the Company's future financial performance. In addition, the actual impact will depend on, *inter alia*, the actual number and price of Shares that may be purchased or acquired by the Company, whether the purchase or acquisition of Shares is made out of the profits or capital of the Company and whether the Shares purchased or acquired are held in treasury or cancelled.**

**Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as mandated. In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased in treasury.**

**The Directors would emphasise that they do not intend to exercise the Share Purchase Mandate to such an extent that would result in a material adverse effect on the financial position of the Group taken as a whole, or result in the Company being delisted from the SGX-ST.**

### **3.8 Tax Implications**

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the purchase or acquisition of Shares by the Company, including those who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

### **3.9 Listing Manual**

Under Rule 886(1) of the Listing Manual, a listed company must notify the SGX-ST of all purchases or acquisitions of its shares no later than 9.00 a.m. (a) in the case of Market Purchases, on the market day (i.e. a day on which the SGX-ST is open for securities trading, "**Market Day**") following the day of purchase or acquisition of any of its shares; and (b) in the case of Off-Market Purchases under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such notification must include such details that the SGX-ST may prescribe, such as details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares (excluding treasury shares and subsidiary holdings) after the purchase, the number of treasury shares held after the purchase and the number of subsidiary holdings after the purchase.

Whilst the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time(s), because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a consideration and/or decision of the board of directors of the Company until the price sensitive information has been publicly announced.

In particular, in line with Rule 1207(19)(c) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of one (1) month immediately preceding the announcement of the Company’s half-year and full year financial statements (if the Company does not announce its quarterly financial statements) or, if the Company announces its quarterly financial statements (whether required by the SGX-ST or otherwise), during the period of two (2) weeks immediately preceding the announcement of the Company’s financial statements for each of the first three quarters of its financial year and one (1) month before the announcement of the Company’s full year financial statements.

### **3.10 Listing Status of Shares**

Under Rule 723 of the Listing Manual, a listed company must ensure that at least 10% of the total number of issued Shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The word “public” is defined in the Listing Manual as persons other than directors, chief executive officer, substantial shareholders, or controlling shareholders of the listed company and its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date, there are 162,045,002 issued Shares, representing approximately 52.46% of the total number of issued Shares (excluding treasury shares) of the Company, held by the public. In the event that the Company purchases the maximum of 10% of its total number of issued Shares (excluding treasury shares) from public Shareholders, based on information available as at the Latest Practicable Date, the percentage of the Company’s public float would be reduced to approximately 47.18% of the total number of issued Shares (excluding treasury shares). Accordingly, based on information available as at the Latest Practicable Date, the Company is of the view that there is a sufficient number of Shares in issue (excluding treasury shares) held by public Shareholders that would permit the Company to potentially undertake purchases or acquisitions of Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without adversely affecting the listing status of the Shares on the SGX-ST.

Although the Share Purchase Mandate would authorise the Company to purchase up to 10% of the total number of the Company’s issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of the issued Shares (excluding treasury shares and subsidiary holdings) as mandated. The Directors will also use their best efforts to ensure that, notwithstanding any share purchases by the Company, a sufficient number of Shares remain in the hands of the public so that the share purchases will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the shares.

### **3.11 Certain Take-over Code Implications arising from the Share Purchase Mandate**

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. Certain take-over implications arising from the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are summarised below:

### **3.11.1 Obligations to make a Take-over Offer**

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

### **3.11.2 Persons Acting in Concert**

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be acting in concert with each other:

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other; and
- (c) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages.

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

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

### **3.11.3 Effect of Rule 14 and Appendix 2**

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

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Any Shares held by the Company as treasury shares shall be excluded from the calculation of the percentage of voting rights under the Take-over Code referred to above.

Information on the Directors' interests in the Shares before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate and the interests of the substantial Shareholders in the Shares before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate is set out at Paragraph 6 below.

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholdings of the Company as at the Latest Practicable Date, the Directors are not aware of any Director or Substantial Shareholder who would become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code as a result of any intended purchase by the Company of the maximum limit of 10% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date, pursuant to the Share Purchase Mandate.

**The statements herein do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.**

### **3.12 Details of Shares bought by the Company pursuant to the Share Purchase Mandate obtained at the 2023 AGM**

As at the Latest Practicable Date, the Company had not purchased or acquired any Shares by way of Market Purchases or Off-Market Purchases pursuant to the Share Purchase Mandate obtained at the 2023 AGM.

## **4.0 PROPOSED ADOPTION OF THE AEM RSP 2024**

### **4.1 Rationale for the AEM RSP 2024**

The AEM RSP 2024 is proposed to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve superior performance. The AEM RSP 2024 will strengthen the Company's competitiveness in attracting and retaining middle and senior management executives, and high potential employees.

Other than the AEM RSP 2024, the other current share scheme of the Company is the AEM PSP 2017 that was approved at an extraordinary general meeting held on 27 April 2017. The rules of the AEM PSP 2017 were amended, with effect from 1 May 2023, by the approval of the remuneration committee of the board of directors of the Company (the "**Remuneration Committee**"), such that the AEM PSP 2017 does not apply to Non-Executive Directors or controlling shareholders, and to remove references to the AEM Holdings Employee Share Option Scheme 2014. It is also proposed that the AEM PSP 2017 be amended and information relating to the proposed amendments to the AEM PSP 2017 are set out at Paragraph 5 below.

Previously, the AEM Holdings Employee Share Option Scheme 2014, that was approved and adopted at an extraordinary general meeting held on 25 April 2014, was terminated with effect from 25 March 2023 by the approval of the Remuneration Committee.

The AEM RSP 2024 is intended to apply to a broader base of middle and senior management executives, and high potential employees, and it is intended that the AEM PSP 2017 (as proposed to be amended) will apply to a select group of key strategic senior management executives. The AEM RSP 2024, if adopted, does not apply to Non-Executive Directors, and the AEM PSP 2017 also does not apply to Non-Executive Directors. The term "Non-Executive Director" is defined at Paragraph 4.2.1 below.

In respect of the AEM RSP 2024, it is intended that typically, Awards will be granted to middle and senior management executives, and high potential employees annually, and that typically for each Award approximately one-third of the total number of Shares which are the subject of the Award will vest at the end of each year after the Award is granted. As such, typically, approximately one-third of the total number of Shares which are the subject of the Award will be released at the end of each vesting period of one year, such that all of the Shares which are the subject of the Award will be released at the end of the period of three years after the Award is granted. Typically, the Committee will grant Awards once annually. The terms "Award" and "Committee" are defined at Paragraphs 4.2.2 and 4.2.1 respectively below.

It is intended that the AEM RSP 2024 together with the AEM PSP 2017 (as proposed to be amended) will provide incentives to middle and senior management executives, high potential employees, and high performing key strategic senior management executives so as to encourage greater dedication and loyalty to the Company and to excel in their performance. Through the AEM RSP 2024 and the AEM PSP 2017 (as proposed to be amended), the Company will be able to motivate middle and senior management executives, high potential employees and key strategic senior management executives to deliver long-term shareholder value for the Group. In addition, the AEM RSP 2024 and the AEM PSP 2017 (as proposed to be amended) aim to foster a greater ownership culture within the Group which aligns the interests of Participants with the interests of Shareholders, and to improve performance and achieve sustainable growth for the Company in the changing business environment. The term "Participant" is defined at Paragraph 4.2.2 below.

The AEM RSP 2024 uses methods that are aligned with the market practices of major local and multinational companies to incentivise and motivate middle and senior management executives, and high potential employees. The Company believes that the AEM RSP 2024 and the AEM PSP 2017 (as proposed to be amended) will be effective tools in motivating middle and senior management executives, and high potential employees and key strategic senior management executives to strive to deliver long-term shareholder value.

While the AEM RSP 2024 caters principally to Group Employees, it is recognised that there are other persons who can make significant contributions to the Group through their close working relationship with the Group. Such persons include middle and senior management executives, and high potential employees of Associated Companies over which the Company has operational control. The term "Group Employee" is defined at Paragraph 4.2.1 below.

The AEM RSP 2024 and the AEM PSP 2017 (as proposed to be amended) contemplate the award of fully paid Shares, when and after any relevant conditions are met.

A Participant's Awards under the AEM RSP 2024 will be determined at the sole discretion of the Committee. In considering an Award to be granted to a Participant who is an employee of the Group or an Associated Company, the Committee may take into account, inter alia, the Participant's rank, service grade, years of service, potential for future development, and his overall contribution to the success and development of the Group. The term "Associated Company" is defined at Paragraph 4.2.1 below.



## 4.2 Summary of the rules of the AEM RSP 2024

The Company proposes to adopt the AEM RSP 2024. The proposed rules of the AEM RSP 2024 are set out in Appendix A to this Letter. A summary of the rules of the AEM RSP 2024 is set out below.

### 4.2.1 Eligibility

Under the rules of the AEM RSP 2024, the following persons shall be eligible to participate in the AEM RSP 2024 at the absolute discretion of the Committee:

- (a) Group Employees who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time; and
- (b) Associated Company Employees who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or will contribute to the success of the Group.

For the purposes of this Letter:

**"Associated Company"** means a company in which at least 20% but not more than 50% of its shares are held by the Company and/or its subsidiaries, or a subsidiary of such company, and over whose management the Company has control (as defined in the Listing Manual);

**"Associated Company Employee"** means any employee of an Associated Company (including any Associated Company Executive Director);

**"Associated Company Executive Director"** means a director of an Associated Company who performs an executive function;

**"Committee"** means remuneration committee of the Board or such other committee of Directors authorised or established by the Board to administer the AEM RSP 2024;

**"Group Employee"** means any employee of the Group including any Group Executive Director;

**"Group Executive Director"** means a director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function; and

**"Non-Executive Director"** means a director of:

- (a) the Company and/or any of its subsidiaries, other than a Group Executive Director; or
- (b) an Associated Company, other than an Associated Company Executive Director.

Controlling shareholders of the Company and their associates will not be eligible to participate in the AEM RSP 2024.

The AEM RSP 2024 does not apply to Non-Executive Directors.

#### **4.2.2 Awards**

Awards under the AEM RSP 2024 represent the right of a Participant to receive fully paid Shares, their equivalent cash value or combinations thereof, free of charge, provided that (where applicable) the prescribed conditions are met and upon the expiry of the prescribed vesting periods.

For the purposes of this Letter:

“**Award**” means an award of Shares granted under the AEM RSP 2024; and

“**Participant**” means the holder of an Award (including, where applicable, the executor or personal representative of such holder).

#### **4.2.3 Participants**

The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the AEM RSP 2024 shall be determined at the absolute discretion of the Committee. In the case of a Group Employee and/or an Associated Company Employee, the Committee shall take into account such criteria as it considers fit, including (but not limited to) his service grade, years of service, potential for future development, and his overall contribution to the success and development of the Group.

#### **4.2.4 Details of Awards**

The Committee shall decide, in relation to each Award:

- (a) the Participant;
- (b) the Award Date;
- (c) the number of Shares which are the subject of the Award;
- (d) the prescribed vesting period(s) (if any) and the vesting date(s);
- (e) the release schedule (if any) setting out the extent to which the Shares, which are the subject of that Award, shall be released at the end of each prescribed vesting period;
- (f) the retention period in relation to any or all of the Shares comprised in the Award, if any; and
- (g) any other condition which the Committee may determine in relation to that Award.

For the purposes of this Letter:

“**Award Date**” means, in relation to an Award, the date on which the Award is granted pursuant to the AEM RSP 2024.

#### **4.2.5 Timing**

The Committee has the discretion to grant Awards at any time in the year.

An Award Letter confirming the Award and specifying (inter alia) the vesting period(s) (if any) and vesting date(s), the release schedule (if any), the retention period (if any) will be sent to each Participant as soon as is reasonably practicable after the making of an Award.

For the purposes of this Letter:

“**Award Letter**” means a letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee.

#### **4.2.6 Events prior to Vesting**

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

- (a) an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency;
- (b) the misconduct on the part of a Participant as determined by the Committee in its discretion;
- (c) where the Participant is a Group Employee or an Associated Company Employee, upon such Participant ceasing to be in the employment of the Group or the relevant Associated Company, as the case may be, for any reason whatsoever (other than as specified in sub-paragraph (e) below);
- (d) the bankruptcy of a Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Award;
- (e) the Participant, being a Group Employee or an Associated Company Employee, ceasing to be in the employment of the Group or the relevant Associated Company, as the case may be, by reason of:
  - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
  - (ii) redundancy;
  - (iii) retirement at or after the legal retirement age;
  - (iv) retirement before the legal retirement age with the consent of the Committee;
  - (v) the company by which he is employed ceasing to be a company within the Group or an Associated Company, as the case may be, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group or to an Associated Company, as the case may be;
  - (vi) his transfer to any entity, body or corporation at the direction of the Company or, as the case may be, the relevant Associated Company;
  - (vii) (where applicable) his transfer of employment from the Group to an Associated Company or vice versa; or
  - (viii) any other event approved by the Committee;
- (f) the death of the Participant;
- (g) a take-over, reconstruction or amalgamation of the Company or an order being made or a resolution passed for the winding-up of the Company (other than as provided in sub-paragraph (a) above or for reconstruction or amalgamation);

- (h) where the Participant had (in the opinion of the Committee), at any time, engaged in conduct that violated the Company's policies and compliance standards, which violation had directly or indirectly caused, resulted in and/or contributed to, or is likely (in the opinion of the Committee) to cause, result in and/or contribute to (whether directly or indirectly) any financial loss or reputational harm to the Group, any company within the Group or an Associated Company or which (in the opinion of the Committee) may be detrimental to the interests of the Group, any company within the Group or an Associated Company;
- (i) where the Participant had (in the opinion of the Committee) (i) knowingly permitted any subordinate over whom the Participant had, at the material time, oversight responsibilities, to engage in; or (ii) failed to exercise reasonable supervisory responsibilities over any such subordinate who engaged in, conduct that violated the Company's policies and compliance standards, which violation had directly or indirectly caused, resulted in and/or contributed to, or is likely (in the opinion of the Committee) to cause, result in and/or contribute to (whether directly or indirectly) any financial loss or reputational harm to the Group, any company within the Group or an Associated Company or which (in the opinion of the Committee) may be detrimental to the interests of the Group, any company within the Group or an Associated Company; or
- (j) any other event approved by the Board.

Upon the occurrence of any of the events specified in sub-paragraphs (a), (b), (c), (h) or (i) above, an Award then held by a Participant shall, as provided in the rules of the AEM RSP 2024 and to the extent not yet released (and even if released), immediately lapse without any claim whatsoever against the Company.

Upon the occurrence of any of the events specified in sub-paragraphs (d), (e), (f) and (j) above, the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of each vesting period (if any) and subject to the provisions of the AEM RSP 2024. In exercising its sole and absolute discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant, the proportion of the vesting periods which have elapsed.

Upon the occurrence of any of the events specified in sub-paragraph (g) above, the Committee will consider, at its discretion, whether or not to release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by the Participant. If the Committee decides to release any Award, then in determining the number of Shares to be vested in respect of such Award, the Committee will (if applicable) have regard to the proportion of the vesting periods which have elapsed.

#### **4.2.7 Operation of the AEM RSP 2024**

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

- (a) an issue of new Shares (deemed to be fully paid upon their issuance and allotment); and/or
- (b) the delivery of existing Shares (including treasury shares).

In determining whether to issue new Shares or to deliver existing Shares 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 cost to the Company of either issuing new Shares or delivering existing Shares (including treasury shares).

The Company has the flexibility, and if circumstances require, to approve the release of an Award, wholly or partly, in the form of cash rather than Shares.

New Shares allotted and issued, and existing Shares procured by the Company for transfer, pursuant to the release of any Award shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

#### **4.2.8 Size and Duration**

The total number of Shares issued or to be issued or delivered under the AEM RSP 2024 and any other share incentive schemes of the Company then in force, shall not exceed 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time. Currently, the AEM PSP 2017 is in force. The total number of Shares issued or to be issued under the AEM RSP 2024 shall not exceed 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

The Committee currently does not intend, in any given year, to grant Awards under the AEM RSP 2024 such that the aggregate number of Shares issued or to be issued pursuant to such Awards would comprise more than 0.5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time (the "**Annual Limit**").

The AEM RSP 2024 shall continue in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date on which the AEM RSP 2024 is adopted by the Company in general meeting, provided always that the AEM RSP 2024 may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the AEM RSP 2024, Awards made to Participants prior to such expiry or termination will continue to remain valid.

#### **4.2.9 Adjustments**

The following describes the adjustment events under, and provisions relating to modifications of, the AEM RSP 2024.

##### **Adjustment Events**

If a variation in the ordinary share capital of the Company (whether by way of a bonus or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place or if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie), then the Committee may, in its sole discretion, determine whether:

- (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 in respect of which future Awards may be granted under the AEM RSP 2024,

shall be adjusted and if so, the manner in which such adjustments should be made.

Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or upon the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants, or the cancellation of issued Shares purchased or acquired by the Company by way of a Market Purchase of such Shares undertaken by the Company on the SGX-ST during the period when a Share Purchase Mandate granted by Shareholders (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

Any adjustment (except in relation to a bonus issue) must be confirmed in writing by the auditor of the Company (acting only as an expert and not as an arbitrator) to be in its opinion, fair and reasonable. Further, any adjustment must be made in such a way that a Participant will not receive a benefit that a holder of Shares does not receive.

#### **4.2.10 Modifications**

The AEM RSP 2024 may be modified and/or altered at any time and from time to time by a resolution of the Committee, subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

However, in relation to the AEM RSP 2024, no modification or alteration shall adversely affect the rights attached to any such Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who have been granted Awards and who, if their Awards were released to them on the applicable vesting dates relating to their Awards, would become entitled to not less than three-quarters in number of all the Shares which would fall to be vested upon release of all outstanding Awards upon the expiry of all the vesting periods (if any) applicable to all such outstanding Awards.

No alteration shall be made to rules of the AEM RSP 2024 which relate to matters contained in Rules 844 to 849 and Rules 853 to 854 of the Listing Manual to the advantage of Participants except with the prior approval of Shareholders in general meeting.

### **4.3 Financial Effects**

Singapore Financial Reporting Standards (International) 2, Share-based payment ("**SFRS(I) 2**"), prescribes the accounting treatment for share-based payment transactions. Participants may receive Shares or their equivalent cash value, or combinations thereof. In the event that the Participants receive Shares, the Awards 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 would be recognised as a charge to the profit and loss account over the period between the grant date 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 grant date and the number of Shares vested at the vesting date, with a corresponding credit to reserve account.

The amount charged to the profit and loss account would be the same whether the Company settles the Awards using new Shares or existing Shares.

The following sets out the financial effects of the AEM RSP 2024.

#### **4.3.1 Share Capital**

The AEM RSP 2024 will result in an increase in the Company's issued ordinary 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 AEM RSP 2024. The total number of Shares issued or to be issued or delivered under the AEM RSP 2024 and any other share incentive schemes of the Company then in force, shall not exceed 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time. Currently, the AEM PSP 2017 is in force. The total number of Shares issued or to be issued under the AEM RSP 2024 shall not exceed 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

The Committee currently does not intend, in any given year, to grant Awards under the AEM RSP 2024 such that the aggregate number of Shares issued or to be issued pursuant to such Awards would exceed the Annual Limit.

If, instead of issuing new Shares to Participants, existing Shares are purchased for delivery to Participants on vesting, the AEM RSP 2024 will have no impact on the Company's issued ordinary share capital.

#### **4.3.2 NTA**

As described below in the paragraph on EPS, the AEM RSP 2024 is likely to result in a charge to the Company's profit and loss account over the period from the grant date to the vesting date of the Awards. The amount of the charge will be computed in accordance with SFRS(I) 2. If new Shares are issued under the AEM RSP 2024, there would be no effect on the NTA. However, if instead of issuing new Shares to Participants, existing Shares are purchased from the market and delivered to Participants or the Company pays the equivalent cash value, the NTA would decrease by the cost of the existing Shares delivered or the cash payment, respectively.

#### **4.3.3 EPS**

The AEM RSP 2024 is likely to result in a charge to earnings over the period from the grant date to the vesting date, computed in accordance with the accounting method as stated in Paragraph 4.3 above.

#### **4.3.4 Dilutive Impact**

The total number of Shares issued or to be issued or delivered under the AEM RSP 2024 and any other share incentive schemes of the Company then in force, shall not exceed 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time. Currently, the AEM PSP 2017 is in force. The total number of Shares issued or to be issued under the AEM RSP 2024 shall not exceed 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

The Committee currently does not intend, in any given year, to grant Awards under the AEM RSP 2024 such that the aggregate number of Shares issued or to be issued pursuant to such Awards would exceed the Annual Limit.

The issue of Shares pursuant to Awards granted pursuant to the AEM RSP 2024, together with awards of Shares granted under the AEM PSP 2017, may have a dilutive impact on Shareholders' shareholding percentages. This impact can be neutralized or mitigated by the Company's share repurchase program carried out under the Share Purchase Mandate. The Company believes that the AEM RSP 2024 and the AEM PSP 2017 (as proposed to be amended) will be important tools in attracting, retaining and motivating middle and senior management executives and high potential employees and in providing incentives to high-performing key strategic senior management executives to strive to deliver long-term shareholder value.

#### **4.4 Proposed Specific Share Issue Mandate - AEM RSP 2024**

The proposed Ordinary Resolution 10, if passed, will empower the Directors to issue shares in connection with the AEM RSP 2024, up to a limit of 0.5% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by law to be held, whichever is earlier. This authority is in addition to any general authority to issue shares sought under any other resolution and the specific authority to issue shares sought under Resolution 12. Ordinary Resolution 10 is subject to and contingent upon Ordinary Resolution 9 being passed.

#### **5.0 PROPOSED AMENDMENTS TO THE AEM PSP 2017**

##### **5.1 Rationale for the Proposed Amendments to the AEM PSP 2017**

The AEM PSP 2017 was approved at an extraordinary general meeting held on 27 April 2017. The rules of the AEM PSP 2017 were amended, with effect from 1 May 2023, by the approval of the Remuneration Committee, such that the AEM PSP 2017 does not apply to Non-Executive Directors or controlling shareholders, and to remove references to the AEM Holdings Employee Share Option Scheme 2014.

It is also proposed that the AEM RSP 2024 be adopted and information relating to the proposed adoption of the AEM RSP 2024 are set out at Paragraph 4 above.

It is intended that the AEM PSP 2017 (as proposed to be amended) will apply to a select group of key strategic senior management executives whilst the AEM RSP 2024 is intended to apply to a broader base of middle and senior management executives, and high potential employees.

In respect of the AEM PSP 2017 (as proposed to be amended), it is intended that typically, Awards will be granted to key strategic senior management executives once annually. It is intended that typically for each Award there would be performance conditions. It is intended that for the Awards to be granted in the financial year ending 31 December 2024 and until the Committee determines otherwise, the performance conditions would be based on target levels of Return on Equity and Total Shareholders' Returns to be achieved in respect of the Company for a period of three years, the number of Shares which are to be released pursuant to the Award if 100% of the target levels of Return on Equity and Total Shareholders' Returns are achieved would be specified, and the different proportions of the number of Shares that would be released depending on the extent of the actual Return on Equity and Total Shareholders' Returns achieved in respect of the Company as compared to the target levels would be specified. Following this, after the period of three years in respect of which the performance conditions are assessed, the actual Return on Equity and Total Shareholders' Returns achieved in respect of the Company would be considered, and the corresponding number of Shares would be released. Awards are granted at the discretion of the Committee.

The AEM PSP 2017 does not apply to Non-Executive Directors, and the AEM RSP 2024, if adopted, also does not apply to Non-Executive Directors.

It is intended that the AEM RSP 2024 together with the AEM PSP 2017 (as proposed to be amended) will provide incentives to middle and senior management executives, high potential employees, and high performing key strategic senior management executives so as to encourage greater dedication and loyalty to the Company and to excel in their performance. Through the AEM RSP 2024 and the AEM PSP 2017 (as proposed to be amended), the Company will be able to motivate middle and senior management



executives, high potential employees and key strategic senior management executives to deliver long-term shareholder value for the Group. In addition, the AEM RSP 2024 and the AEM PSP 2017 (as proposed to be amended) aim to foster a greater ownership culture within the Group which aligns the interests of Participants with the interests of Shareholders, and to improve performance and achieve sustainable growth for the Company in the changing business environment.

The AEM PSP 2017 (as proposed to be amended) uses methods that are aligned with the market practices of major local and multinational companies to incentivise and motivate key strategic senior management executives to achieve pre-determined targets which create and enhance economic value for Shareholders. The Company believes that the AEM RSP 2024 and the AEM PSP 2017 (as proposed to be amended) will be effective tools in motivating middle and senior management executives, high potential employees and key strategic senior management executives to strive to deliver long-term shareholder value.

Ordinary Resolution 11 is subject to and contingent upon Ordinary Resolution 9 being passed.

## **5.2 Summary of the amendments to the rules of the AEM PSP 2017**

The Company proposes to amend the rules of the AEM PSP 2017. The proposed amendments to the rules of the AEM PSP 2017 are set out in Appendix B to this Letter. The proposed amended rules of the AEM PSP 2017 are set out in Appendix C to this Letter. A summary of the proposed amendments and rationale is set out below.

(a) Rule 2.1

It is proposed that the definitions of "AEM ESOS 2014" and "Non-Executive Director" be deleted.

(b) Rule 3

It is proposed that the reference to "Non-Executive Directors" at sub-paragraph (e) be deleted.

(c) Rule 5.3

It is proposed that references to vesting be deleted as the Awards will only be granted at the end of the performance period.

(d) Rule 6.2

It is proposed that references to certain criteria when determining the number of Shares to be granted to a Participant be removed, namely capability, performance and contributions, years of service and potential for future development. References to Non-Executive Directors should also be removed. It is also proposed that the Performance Conditions be amended to reflect Return on Equity and Total Shareholders' Returns, instead of the achievement of financial target(s) and/or milestone(s) and/or the successful completion of a project.

(e) Rule 16.2

It is proposed that the term "vested" be replaced with "granted".

(f) Rule 23

It is proposed that a new Rule 23 be inserted, in respect of the collection, use and disclosure of personal data.

### 5.3 Proposed Specific Share Issue Mandate - AEM PSP 2017

The proposed Ordinary Resolution 12, if passed, will empower the Directors to issue shares in connection with the AEM PSP 2017, up to a limit of 0.5% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by law to be held, whichever is earlier. This authority is in addition to any general authority to issue shares sought under any other resolution and the specific authority to issue shares sought under Resolution 10.

## 6.0 DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

### 6.1 Directors' Interests

Based on information in the Register of Directors' Shareholdings as at the Latest Practicable Date, the Directors' interests in the Shares before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate, on the basis that (a) the Company purchases the maximum of 10% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date, (b) there is no change in the number of Shares in which the Directors have an interest as at the Latest Practicable Date, (c) there are no further issues of Shares, (d) there are no subsidiary holdings, and (e) no Shares (other than the Shares already purchased or acquired by the Company) are purchased or acquired and are held by the Company as treasury shares on or prior to the 2024 AGM, will be as follows:

Director	Number of Shares Held			% Before Share Purchase <sup>(1)</sup>	% After Share Purchase
	Direct Interest	Deemed Interest	Total Interest		
Loke Wai San	824,000	6,828,977	7,652,977	2.48	2.75
James Toh Ban Leng	10,000,000	1,196,772	11,196,772	3.62	4.03
Chok Yean Hung	1,091,133	–	1,091,133	0.35	0.39
Loh Kin Wah	–	525,000	525,000	0.17	0.19
Alice Lin	–	5,000	5,000	0.00	0.00

**Notes:**

<sup>(1)</sup> Based on 308,901,357 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

### 6.2 Substantial Shareholders' Interests

Based on information in the Register of Substantial Shareholders as at the Latest Practicable Date, the interests of the substantial Shareholders in the Shares before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate, on the basis that (a) the Company purchases or acquires the maximum of 10% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date, (b) there is no change in the number of Shares in which the substantial Shareholders have an interest as at the Latest Practicable Date, (c) there are no further issues of Shares, (d) there are no subsidiary holdings, and (e) no Shares (other than the Shares already purchased or acquired by the Company) are purchased or acquired and held by the Company as treasury shares on or prior to the Latest Practicable Date, will be as follows:

Substantial Shareholder	Number of Shares Held			% Before Share Purchase <sup>(1)</sup>	% After Share Purchase
	Direct Interest	Deemed Interest	Total Interest		
Venezio Investments Pte. Ltd. ("Venezio")	38,626,300	–	38,626,300	12.50	13.89
Napier Investments Pte. Ltd. ("Napier") <sup>(2)</sup>	–	38,626,300	38,626,300	12.50	13.89
Tembusu Capital Pte. Ltd. ("Tembusu") <sup>(2)</sup>	–	38,626,300	38,626,300	12.50	13.89
Temasek Holdings (Private) Limited ("Temasek") <sup>(2)</sup>	–	38,626,300	38,626,300	12.50	13.89
Employees Provident Fund Board ("EPF")	–	34,430,000	34,430,000	11.15	12.38
abrnd plc ("abrnd") <sup>(3)</sup>	–	34,695,800	34,695,800	11.23	12.48
abrnd Holdings Limited ("AHL") <sup>(4)</sup>	–	31,442,500	31,442,500	10.18	11.31
abrnd Asia Limited <sup>(5)</sup>	–	18,592,600	18,592,600	6.02	6.69
Pandanus Associates Inc. <sup>(6)</sup>	–	18,512,700	18,512,700	5.99	6.66
Pandanus Partners L.P. <sup>(7)</sup>	–	18,512,700	18,512,700	5.99	6.66
FIL Limited <sup>(8)</sup>	–	18,512,700	18,512,700	5.99	6.66
FIL Financial Services Holdings Limited <sup>(9)</sup>	–	18,512,700	18,512,700	5.99	6.66

**Notes:**

- <sup>(1)</sup> Based on 308,901,357 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- <sup>(2)</sup> Temasek, Tembusu and Napier are deemed interested in the Shares held by Venezio. Venezio is a wholly-owned subsidiary of Napier, which is a wholly-owned subsidiary of Tembusu, which is a wholly-owned subsidiary of Temasek.
- <sup>(3)</sup> abrnd is the parent company of its subsidiaries (the "abrnd Group") on behalf of the accounts managed by the abrnd Group. abrnd is deemed interested in the Shares held under the accounts managed by the abrnd Group.
- <sup>(4)</sup> AHL is the parent company of its subsidiaries who act as the investment managers for various clients/funds and has the power to exercise, or control the exercise of, a right to vote attached to the securities and has the power to dispose of, or control the disposal of, the securities. The registered holder(s) of the securities is the client's or fund's custodian. AHL is a wholly-owned subsidiary of abrnd and the parent company of abrnd Asia Limited.
- <sup>(5)</sup> abrnd Asia Limited acts as an investment manager for various clients/funds and has the power to exercise, or control the exercise of, a right to vote attached to the Shares held and has the power to dispose of, or control the disposal of, such Shares. The registered holder(s) of such Shares is the client's or fund's custodian. abrnd Asia Limited is a wholly-owned subsidiary of AHL.
- <sup>(6)</sup> Pandanus Associates Inc. is deemed interested in the Shares through its interest in the voting shares of Pandanus Partners L.P., pursuant to Section 4(5) of the Securities and Futures Act 2001 of Singapore (the "SFA").
- <sup>(7)</sup> Pandanus Partners L.P. is deemed interested in the Shares through its interest in the voting shares of FIL Limited., pursuant to Section 4(5) of the SFA.
- <sup>(8)</sup> FIL Limited is deemed interested in the Shares because such Shares are held by funds and/or accounts managed by one or more of FIL Limited's direct and indirect subsidiaries, which are fund managers.
- <sup>(9)</sup> FIL Financial Services Holdings Limited is deemed interested in the Shares because such Shares are held by funds and/or accounts managed by FIL Financial Services Holdings Limited as well as by one or more of its direct and indirect subsidiaries, which are fund managers. FIL Financial Services Holdings Limited is a wholly-owned subsidiary of FIL Limited.

## **7.0 DIRECTORS' RECOMMENDATION**

### The Proposed Renewal of the Share Purchase Mandate

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 8 being the ordinary resolution relating to the proposed renewal of the Share Purchase Mandate, at the 2024 AGM.

### The Proposed Adoption of the AEM RSP 2024

The AEM RSP 2024 does not apply to Non-Executive Directors. The Directors, all of whom are Non-Executive Directors, are of the opinion that the proposed adoption of the AEM RSP 2024 is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 9 and Ordinary Resolution 10, being the ordinary resolutions relating to the proposed adoption of the AEM RSP 2024 and the empowering of the Directors to issue Shares in connection with the AEM RSP 2024 respectively, at the 2024 AGM. Currently, there are no executive Directors of the Company.

### The Proposed Amendments to the AEM PSP 2017

The AEM PSP 2017 does not apply to Non-Executive Directors. The Directors, all of whom are Non-Executive Directors, are of the opinion that the proposed amendments to the AEM PSP 2017 is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 11 and Ordinary Resolution 12, being the ordinary resolutions relating to the proposed amendments to the AEM PSP 2017 and the empowering of the Directors to issue shares in connection with the AEM PSP 2017 respectively, at the 2024 AGM.

## **8.0 ABSTENTION FROM VOTING**

Any Shareholder who is eligible to participate in the proposed AEM RSP 2024 or is required to abstain from voting pursuant to a court order must abstain, and the Company will (provided that if the abstention is pursuant to a court order, such court order is served on the Company before the 2024 AGM) procure such Shareholder to abstain, from voting in respect of Resolution 9 and Resolution 10 (relating to the proposed adoption of the proposed AEM RSP 2024 and the empowering of the Directors to issue shares in connection with the AEM RSP 2024 respectively). Such Shareholder should also not accept nominations to act as proxy, corporate representative or attorney to vote in respect of Resolution 9 and Resolution 10 unless the Shareholder appointing him indicates clearly how votes are to be cast in respect of Resolution 9 and Resolution 10. The Company will disregard any votes cast on Resolution 9 and Resolution 10 by such Shareholder (who is eligible to participate in the proposed AEM RSP 2024 or is required to abstain from voting pursuant to a court order where such court order is served on the Company before the 2024 AGM).

Any Shareholder who is eligible to participate in the AEM PSP 2017 or the AEM PSP 2017 (as proposed to be amended) or is required to abstain from voting pursuant to a court order must abstain, and the Company will (provided that if the abstention is pursuant to a court order, such court order is served on the Company before the 2024 AGM) procure such Shareholder to abstain, from voting in respect of Resolution 11 and Resolution 12 (relating to the proposed amendments to the AEM PSP 2017 and the empowering of the Directors to issue shares in connection with the AEM PSP 2017 respectively). Such Shareholder should also not accept nominations to act as proxy, corporate representative or attorney to vote in respect of Resolution 11 and Resolution 12 unless the Shareholder appointing him indicates clearly how votes are to be cast in respect of Resolution 11 and Resolution 12. The Company will disregard any votes cast on Resolution 11 and Resolution 12 by such Shareholder (who is eligible to participate in the AEM PSP 2017 or the AEM PSP 2017 (as proposed to be amended) is required to abstain from voting pursuant to a court order where such court order is served on the Company before the 2024 AGM).

## **9.0 DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the proposed adoption of the AEM RSP 2024 and the proposed amendments to the AEM PSP 2017, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in the Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

## **10.0 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at the registered office of the Company during normal business hours from the date hereof up to and including the date of the 2024 AGM:

- (a) the proposed rules of the AEM RSP 2024; and
- (b) the proposed amended rules of the AEM PSP 2017.

## **11.0 ADVICE TO SHAREHOLDERS**

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

Yours faithfully  
For and on behalf of the Board of Directors  
AEM Holdings Ltd.

Chandran Nair  
Chief Executive Officer

## APPENDIX A

### PROPOSED RULES OF THE AEM RESTRICTED SHARE PLAN 2024

#### RULES OF THE AEM RESTRICTED SHARE PLAN 2024

##### 1. NAME OF THE PLAN

The Plan shall be called the "AEM Restricted Share Plan 2024".

##### 2. DEFINITIONS

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

- "Act"** : The Companies Act 1967 of Singapore.
- "Adoption Date"** : The date on which the Plan is adopted by the Company in general meeting.
- "AEM RSP 2024"** : AEM Restricted Share Plan 2024.
- "Associated Company"** : A company in which at least 20% but not more than 50% of its shares are held by the Company and/or its subsidiaries, or a subsidiary of such company, and over whose management the Company has control (as defined in the Listing Manual).
- "Associated Company Employee"** : Any employee of an Associated Company (including any Associated Company Executive Director).
- "Associated Company Executive Director"** : A director of an Associated Company who performs an executive function.
- "Auditor"** : The auditor of the Company for the time being.
- "Award(s)"** : An award of Shares granted under the AEM RSP 2024.
- "Award Date"** : In relation to an Award, the date on which the Award is granted pursuant to the AEM RSP 2024.
- "Award Letter"** : A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee.
- "CDP"** : The Central Depository (Pte) Limited.
- "Committee"** : Remuneration committee of the Board or such other committee of Directors authorised or established by the Board to administer the AEM RSP 2024.
- "Communication"** : An Award, including the Award Letter, the Release Letter, and/or any correspondence made or to be made under the Plan (individually or collectively).
- "Company"** : AEM Holdings Ltd.
- "Constitution"** : The Constitution of the Company, as amended from time to time.

<b>“Depository Agent”</b>	:	Has the meaning given to it in the Securities and Futures Act 2001 of Singapore.
<b>“Group”</b>	:	The Company and its subsidiaries.
<b>“Group Employee”</b>	:	Any employee of the Group (including any Group Executive Director).
<b>“Group Executive Director”</b>	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function.
<b>“Listing Manual”</b>	:	The listing manual of the Singapore Exchange.
<b>“Market Day”</b>	:	A day on which the Singapore Exchange is open for trading in securities.
<b>“Market Value”</b>	:	In relation to a Share, on any day: <ul style="list-style-type: none"> <li>(a) the volume-weighted average price of a Share on the Singapore Exchange over the three (3) immediately preceding Trading Days; or</li> <li>(b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditor (acting only as an expert and not as an arbitrator) to be in its opinion, fair and reasonable.</li> </ul>
<b>“Non-Executive Director”</b>	:	A director of: <ul style="list-style-type: none"> <li>(a) the Company and/or any of its subsidiaries, other than a Group Executive Director; or</li> <li>(b) an Associated Company, other than an Associated Company Executive Director.</li> </ul>
<b>“Participant”</b>	:	The holder of an Award (including, where applicable, the executor or personal representative of such holder).
<b>“Plan”</b>	:	The AEM Restricted Share Plan 2024, as modified or altered from time to time.
<b>“Record Date”</b>	:	The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to, or rights of, holders of Shares.
<b>“Release”</b>	:	In relation to an Award, the release of all or some of the Shares to which that Award relates in accordance with the Plan and, to the extent that any Shares which are the subject of the Award are not released pursuant to the Plan, the Award in relation to those Shares shall lapse accordingly and <b>“Released”</b> shall be construed accordingly.
<b>“Release Letter”</b>	:	A letter in such form as the Committee shall approve specifying the number of Shares Released or to be Released to a Participant pursuant to Rule 7.

<b>“Release Schedule”</b>	:	In relation to an Award, a schedule (if any) in such form as the Committee shall approve, in accordance with which Shares which are the subject of that Award shall be Released.
<b>“Released Award”</b>	:	An Award which has been Released in full or in part in accordance with Rule 7.
<b>“Retention Period”</b>	:	In relation to an Award, such period commencing on the Vesting Date in relation to that Award as may be determined by the Committee on the Award Date.
<b>“Security Device”</b>	:	Any smartcard, digital certificate, digital signature, encryption device, electronic key, logon identifier, password, personal identification number, and/or other code or any access procedure incorporating any one or more of the foregoing, designated by the Company for use in conjunction with the Plan.
<b>“Shares”</b>	:	Ordinary shares of the Company.
<b>“Singapore Exchange”</b>	:	The Singapore Exchange Securities Trading Limited.
<b>“Trading Day”</b>	:	A day on which the Shares are traded on the Singapore Exchange.
<b>“Vesting”</b>	:	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and <b>“Vest”</b> and <b>“Vested”</b> shall be construed accordingly.
<b>“Vesting Date”</b>	:	In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares are to be Vested pursuant to Rule 7.
<b>“Vesting Period”</b>	:	In relation to an Award, each period (if any), the duration of which is to be determined by the Committee on the Award Date, after the expiry of which the relevant number of Shares which are subject to the applicable period shall be Vested to the relevant Participant on the relevant Vesting Date, subject to Rule 7.
<b>“year”</b>	:	Calendar year, unless otherwise stated.
<b>“\$”</b>	:	Singapore dollar.
<b>“%”</b>	:	Per centum or percentage.

2.2 For purposes of the Plan, the Company shall be deemed to have control over another company if it has the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company.

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

2.4 Any reference to a time of a day in the Plan shall be a reference to Singapore time.



- 2.5 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act and used in these Rules shall have the meaning assigned to it under the Act.
- 2.6 References to persons shall include corporations.

### **3. OBJECTIVES OF THE PLAN**

The Plan is a share incentive scheme. The Plan is proposed on the basis that it is important to retain middle and senior management executives, and high potential employees whose contributions are essential to the well-being and growth of the Group. The Plan will give Participants an opportunity to have a personal equity interest in the Company and will help to achieve the following positive objectives:

- (a) to align the interests of employees with the interests of the shareholders of the Company;
- (b) to retain middle and senior management executives, and high potential employees and executive directors of the Group and Associated Companies;
- (c) to instill loyalty to, and a stronger identification by employees with the long-term prosperity of, the Company; and
- (d) to attract potential employees with relevant skills to contribute to the Group.

### **4. ELIGIBILITY OF PARTICIPANTS**

The following persons shall be eligible to participate in the Plan at the absolute discretion of the Committee:

- (a) Group Employees who have attained the age of twenty-one (21) years and hold such service grade as may be designated by the Committee from time to time; and
- (b) Associated Company Employees who have attained the age of twenty-one (21) years and hold such service grade as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or will contribute to the success of the Group.

Controlling shareholders of the Company and their associates will not be eligible to participate in the AEM RSP 2024.

The AEM RSP 2024 does not apply to Non-Executive Directors.

### **5. GRANT OF AWARDS**

- 5.1 Subject as provided in Rule 8, the Committee may grant Awards to eligible Group Employees and/or Associated Company Employees, in each case, as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.
- 5.2 The number of Shares which are the subject of each Award to be granted to a Group Employee and/or an Associated Company Employee in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account such criteria as it considers fit, including (but not limited to) his service grade, job performance, years of service, potential for future development, and his overall contribution to the success and development of the Group.

- 5.3 The Committee shall decide in relation to an Award:
- (a) the Participant;
  - (b) the Award Date;
  - (c) the number of Shares which are the subject of the Award;
  - (d) the Vesting Period(s), if any;
  - (e) the Vesting Date(s);
  - (f) the Release Schedule, if any;
  - (g) the Retention Period in relation to any or all of the Shares comprised in the Award, if any; and
  - (h) any other condition which the Committee may determine in relation to that Award.
- 5.4 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:
- (a) the Award Date;
  - (b) the number of Shares which are the subject of the Award;
  - (c) the Vesting Period(s);
  - (d) the Vesting Date(s);
  - (e) the Release Schedule;
  - (f) the Retention Period in relation to any or all of the Shares comprised in the Award, if any; and
  - (g) any other condition which the Committee may determine in relation to that Award.
- 5.5 Participants are not required to pay for the grant of Awards.
- 5.6 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred (other than to a Participant's personal representative, on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.

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

- 6.1 An Award shall to the extent not yet Released, immediately lapse without any claim whatsoever against the Company in the following events:
- (a) an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency;

- (b) the misconduct on the part of a Participant as determined by the Committee in its discretion;
- (c) where the Participant is a Group Employee or an Associated Company Employee, upon such Participant ceasing to be in the employment of the Group or the relevant Associated Company, as the case may be, for any reason whatsoever (other than as specified in sub-paragraph (e) below);
- (d) where the Participant had (in the opinion of the Committee), at any time, engaged in conduct that violated the Company's policies and compliance standards, which violation had directly or indirectly caused, resulted in and/or contributed to, or is likely (in the opinion of the Committee) to cause, result in and/or contribute to (whether directly or indirectly) any financial loss or reputational harm to the Group, any company within the Group or an Associated Company or which (in the opinion of the Committee) may be detrimental to the interests of the Group, any company within the Group or an Associated Company; or
- (e) where the Participant had (in the opinion of the Committee) (i) knowingly permitted any subordinate over whom the Participant had, at the material time, oversight responsibilities, to engage in; or (ii) failed to exercise reasonable supervisory responsibilities over any such subordinate who engaged in, conduct that violated the Company's policies and compliance standards, which violation had directly or indirectly caused, resulted in and/or contributed to, or is likely (in the opinion of the Committee) to cause, result in and/or contribute to (whether directly or indirectly) any financial loss or reputational harm to the Group, any company within the Group or an Associated Company or which (in the opinion of the Committee) may be detrimental to the interests of the Group, any company within the Group or an Associated Company.

For the purposes of Rule 6.1(c), the 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 is withdrawn prior to its effective date.

6.2 In any of the following events, namely:

- (a) the bankruptcy of a Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Award;
- (b) the Participant, being a Group Employee or an Associated Company Employee, ceasing to be in the employment of the Group or the relevant Associated Company, as the case may be, by reason of:
  - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
  - (ii) redundancy;
  - (iii) retirement at or after the legal retirement age;
  - (iv) retirement before the legal retirement age with the consent of the Committee;
  - (v) the company by which he is employed ceasing to be a company within the Group or an Associated Company, as the case may be, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group or to an Associated Company, as the case may be;
  - (vi) his transfer to any entity, body or corporation at the direction of the Company or, as the case may be, the relevant Associated Company;

- (vii) (where applicable) his transfer of employment from the Group to an Associated Company or vice versa; or
- (viii) any other event approved by the Committee;
- (c) the death of the Participant; or
- (d) any other event approved by the Board,

then the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of each Vesting Period (if any) and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the overall contributions made by the Participant, the proportion of the Vesting Period(s) which has (have) elapsed.

6.3 If before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) 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 being approved by shareholders of the Company and/or sanctioned by the court under the Act;
- (c) an order being made or a resolution passed for the winding-up of the Company (other than as provided in Rule 6.1 (a) or for amalgamation or reconstruction), or
- (d) a proposal to sell all or substantially all of the assets of the Company,

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the overall contributions made by the Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will (if applicable) have regard to the proportion of the Vesting Period(s) which has (have) elapsed. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7. If the Committee so determines, the Release of Awards may be satisfied in cash as provided in Rule 7.

## **7. REVIEW OF VESTING OF AWARDS, RELEASE OF AWARDS AND CASH AWARDS**

### **7.1 Vesting Period(s)**

In relation to an Award which is subject to a Vesting Period or Vesting Periods, the Committee shall, subject to Rule 6 and provided that the relevant Participant has continued to be a Group Employee or an Associated Company Employee from the Award Date up to the end of the Vesting Period (where applicable) and thereafter at the end of each Vesting Period, Release to the relevant Participant the relevant number of Shares in accordance with the Release Schedule specified in respect of that Award on the relevant Vesting Date(s).

### **7.2 Release Letter**

Where any Shares comprised in an Award are Released or to be Released to a Participant pursuant to Rule 7.1, the Committee may, if it deems fit, send to that Participant a Release Letter specifying the number of Shares Released or to be Released to him pursuant thereto as soon as reasonably practicable after the Vesting Date or (if there is more than one Vesting Date) the first Vesting Date of that Award.

### 7.3 Delivery of Shares

7.3.1 Shares which are Released to a Participant pursuant to Rule 7.1 shall be delivered on a Market Day falling as soon as practicable (as determined by the Committee) after the relevant Vesting Date by way of an allotment or transfer to the Participant of the relevant number of Shares (which may, in the case of a transfer of Shares and to the extent permitted by law, include Shares held by the Company as treasury shares).

7.3.2 Where new Shares are allotted pursuant to Rule 7.3.1, the Company shall, as soon as practicable after such allotment, apply to the Singapore Exchange for permission to deal in and for quotation of such Shares.

7.3.3 Shares which are allotted or transferred to a Participant pursuant to the Release of any Award shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant.

### 7.4 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, pursuant to the Release of any Award shall:

- (a) be subject to all the provisions of the Constitution; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

### 7.5 Cash Awards

The Committee may determine to make a Release of an Award wholly or partly, in the form of cash rather than Shares which would otherwise have been Released to the Participant on the relevant Vesting Date, in which event the Company shall pay to the Participant as soon as practicable after such Vesting Date, in lieu of all or part of such Shares, the aggregate Market Value of such Shares on such Vesting Date.

### 7.6 Retention Period

If a Retention Period is specified in an Award, Shares which are allotted or transferred on the Release of an Award to a Participant shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during such Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company shall be at liberty to take any steps which it considers necessary or appropriate to enforce or give effect to the restriction on the transfer, charge, assignment, pledge or disposal of Shares during the Retention Period otherwise than in accordance with the Award Letter or as approved by the Committee.

## 8. LIMITATION ON THE SIZE OF THE PLAN

8.1 The total number of Shares which may be delivered pursuant to Awards granted under the Plan on any date, when added to the total number of new Shares allotted and issued and/or to be allotted and issued, and issued Shares (including treasury shares) delivered and/or to be delivered, pursuant to Awards granted under the Plan and any other share incentive schemes of the Company then in force, shall not exceed 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual)) on the date preceding the date of the relevant Award. The total number of Shares issued or to be issued under the AEM RSP 2024 shall not exceed 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

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

## **9. ADJUSTMENT EVENTS**

9.1 If a variation in the ordinary share capital of the Company (whether by way of a bonus or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place or if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie), then the Committee may, in its sole discretion, determine whether:

(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 in respect of which future Awards may be granted under the Plan,

shall be adjusted and if so, the manner in which such adjustments should be made.

9.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or upon the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the Singapore Exchange during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

9.3 Notwithstanding the provisions of Rule 9.1:

(a) any adjustment (except in relation to a bonus issue) must be confirmed in writing by the Auditor (acting only as an expert and not as an arbitrator) to be in its opinion, fair and reasonable; and

(b) the adjustment must be made in such a way that a Participant will not receive a benefit that a holder of Shares does not receive.

9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares which are the subject of the adjusted Award. Any adjustment shall take effect upon such written notification being given or on such date as may be specified in such written notification.

## **10. ADMINISTRATION OF THE PLAN**

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

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

- 10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with:
- (a) the lapsing of any Awards pursuant to any provision of the Plan;
  - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or
  - (c) any decision or determination of the Committee made pursuant to any provision of the Plan.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditor) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

## **11. NOTICES AND COMMUNICATIONS**

- 11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.
- 11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.
- 11.4 Any Communication under the Plan may be communicated electronically through the use of a Security Device, or through an electronic page, site, or environment designated by the Company which is accessible only through the use of a Security Device, and such Communication shall thereby be deemed to have been sent by the designated holder of such Security Device.
- 11.5 The Company may accept and act upon any Communication issued and/or transmitted through the use of the Participant's Security Device pursuant to Rule 11.4 (whether actually authorised by the Participant or not) as his authentic and duly authorised Communication and the Company shall be under no obligation to investigate the authenticity or authority of persons effecting the Communication or to verify the accuracy and completeness of the Communication and the Company may treat the Communication as valid and binding on the Participant, notwithstanding any error, fraud, forgery, lack of clarity or misunderstanding in the terms of such Communication.
- 11.6 All Communications issued and/or transmitted through the use of a Participant's Security Device pursuant to Rule 11.4 (whether authorised by the Participant or not) are irrevocable and binding on the Participant upon transmission to the Company and the Company shall be entitled to effect, perform or process such Communications without the Participant's further consent and without any further reference or notice to the Participant.

- 11.7 It shall be the Participant's sole responsibility to ensure that all information contained in a Communication is complete, accurate, current, true and correct.
- 11.8 A Participant shall ensure (and shall take all necessary precautions to ensure) that:
- (a) he complies with the Company's procedural and/or operational guidelines relating to Security Devices;
  - (b) all his Security Devices are kept completely confidential and secure; and
  - (c) there is no unauthorised use or abuse of any of his Security Devices.
- 11.9 A Participant shall notify and/or contact the Company immediately if he becomes aware, has reason to believe, or suspects that any Security Device has become compromised, including but not limited to where:
- (a) the security or integrity of any Security Device may have been compromised;
  - (b) such Security Device has become known or been revealed to any other person;
  - (c) there has been unauthorised use of the Security Device; and/or
  - (d) such Security Device is lost, damaged, defective or stolen,
- and the Participant shall immediately cease to use such compromised Security Device until further notice from the Company. The Participant shall be bound by all Communications and transactions resulting from any Communications made which are referable to any compromised Security Device until such time as the Company has received a notification from the Participant under this Rule 11.9.
- 11.10 The Company's records of the Communications, and its record of any transactions maintained by any relevant person authorised by the Company relating to or connected with the Plan, whether stored in electronic or printed form, shall be binding and conclusive on a Participant and shall be conclusive evidence of such Communications and/or transactions. All such records shall be admissible in evidence and the Participant shall not challenge or dispute the admissibility, reliability, accuracy or the authenticity of the contents of such records merely on the basis that such records were incorporated and/or set out in electronic form or were produced by or are the output of a computer system, and the Participant waives any of his rights (if any) to so object.
- 11.11 Any provision in these Rules or any regulation of the Committee requiring a Communication to be signed by a Participant may be satisfied in the case of an electronic Communication, by the execution of any on-line act, procedure or routine designated by the Company to signify the Participant's intention to be bound by such Communication.

## **12. MODIFICATIONS TO THE PLAN**

- 12.1 The Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, subject to the prior approval of the Singapore Exchange and such other regulatory authorities as may be necessary.
- 12.2 In relation to the Plan, no modification or alteration shall adversely affect the rights attached to any such Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who have been granted Awards and who, if their Awards were released to them on the applicable Vesting Dates relating to their Awards, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon release of all outstanding Awards upon the expiry of all the Vesting Periods (if any) applicable to all such outstanding Awards.



- 12.3 No alteration shall be made to rules of the Plan which relate to matters contained in Rules 844 to 849 and Rules 853 to 854 of the Listing Manual to the advantage of Participants except with the prior approval of Shareholders in general meeting.

For the purposes of Rule 12.2 the opinion of the Committee as to whether any modification or alteration would adversely alter the rights attached to any Award shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 12 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

- 12.4 Notwithstanding anything to the contrary contained in Rule 12.2, the Committee may at any time by resolution (and without any other formality, save for the prior approval of the Singapore Exchange) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the Singapore Exchange).
- 12.5 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

### **13. TERMS OF EMPLOYMENT UNAFFECTED**

The terms of employment of a Participant (being a Group Employee or an Associated Company Employee, as the case may be) shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

### **14. DURATION OF THE PLAN**

- 14.1 The Plan 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, provided always that the Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 14.2 The Plan may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.
- 14.3 The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

### **15. TAXES**

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

### **16. COSTS AND EXPENSES OF THE PLAN**

- 16.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the allotment and issue or transfer of any Shares pursuant to the Release 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.

16.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

**17. DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained, the Committee and the Company and the Company’s directors and employees shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company’s delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the Singapore Exchange in accordance with Rule 7.3.2.

**18. DISCLOSURES IN ANNUAL REPORT**

The Company will make such disclosures or appropriate negative statements (as applicable) in its annual report for so long as the Plan continues in operation as from time to time required by the Listing Manual including the following (where applicable):

- (a) the names of the members of the Committee administering the Plan;
- (b) the information required in the table below, in respect of the following Participants of the Plan:
  - (i) directors of the Company;

Controlling Shareholders and their Associates, and a statement that Controlling Shareholders and their Associates are not eligible to participate in the Plan; and

- (ii) Participants (other than those in paragraph (i) above) who have received Shares pursuant to the Release of Awards granted under the Plan which, in aggregate, represent 5% or more of the total number of Shares available under the Plan,

Name of Participant	Shares comprised in Awards granted during financial year under review (including terms)	Aggregate Shares comprised in Awards granted since commencement of the Plan to end of financial year under review	Aggregate Shares comprised in Awards Vested since commencement of the Plan to end of financial year under review	Aggregate Shares comprised in Awards outstanding as at end of financial year under review
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- (c) a statement that the directors and employees of the parent company (if any) and its subsidiaries are not eligible to participate in the Plan; and
- (d) such other information as may be required by the Listing Manual or the Act.

**19. COLLECTION, USE AND DISCLOSURE OF PERSONAL DATA**

For the purposes of implementing and administering the Plan, and in order to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines, the Company will collect, use and disclose the personal data of the Participants, as contained in each Award Letter and/or any other notice or communication given or received pursuant to the Plan, and/or which is otherwise collected from the Participants (or their authorised representatives). By participating in the Plan, each Participant consents to the collection, use and disclosure of his personal data for all such purposes, including disclosure of data to related corporations of the Company and/or third parties who provide services to the Company (whether within or outside Singapore), and to the collection, use and further disclosure by such parties for such purposes. Each Participant also warrants that where he discloses the personal data of third parties to the Company in connection with this Plan, he has obtained the prior consent of such third parties for the Company to collect, use and disclose their personal data for the abovementioned purposes, in accordance with any applicable laws, regulations and/or guidelines. Each Participant shall indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Participant's breach of this warranty.

**20. DISPUTES**

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

**21. GOVERNING LAW**

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

**22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001**

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by virtue of the Contracts (Rights of Third Parties) Act 2001 of Singapore.

## APPENDIX B

### PROPOSED AMENDMENTS TO THE RULES OF THE AEM PERFORMANCE SHARE PLAN 2017

#### 1. Name of the Plan

This performance share plan shall be called the "AEM Performance Share Plan 2017" (the "Plan").

#### 2. Definitions

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

"Act" : The Companies Act (~~Chapter 50~~) 1967 of Singapore, as may be amended or modified from time to time.

"Adoption Date" : The date on which the Plan is approved by the Company in general meeting.

~~"AEM ESOS 2014" : AEM Holdings Employee Share Option Scheme 2014 (which was adopted at an extraordinary general meeting of the Company held on 25 April 2014), as amended or modified from time to time.~~

"Associate" : Shall have the meaning ascribed to it in the Listing Manual.

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

"Award" : A contingent award of Shares under the Plan.

"Board" : The board of directors of the Company for the time being.

"CDP" : The Central Depository (Pte) Limited

"Committee" : The remuneration committee of the Board or such other committee of Directors authorised or established by the Board to administer the Plan.

"Company" : AEM Holdings Ltd.

"control" : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.

"Controlling Shareholder" : A person who holds directly or indirectly 15% or more of the total number of issued shares (excluding treasury shares, if any) in the Company unless the SGX-ST determines otherwise or a person who in fact exercises control over the Company, as defined under the Listing Manual.

"CPF" : The Central Provident Fund

"Director" : A director of the Company for the time being.

"Executive Director" : A Director who performs an executive function within the Group.

“Group”	:	The Company together with its subsidiaries.
“Group Executive”	:	An employee of the Group (including an Executive Director).
“Listing Manual”	:	The Listing Manual of the SGX-ST, as may be amended or modified from time to time.
“Market Day”	:	A day on which the SGX-ST is open for trading of securities.
“Market Value”	:	In relation to a Share on any day means: <ul style="list-style-type: none"> <li>(i) the price equal to the average of the last dealt prices for a Share, as determined by reference to the daily official list or other publication published by the SGX-ST, over the three (3) immediately preceding Market Days; or</li> <li>(ii) if the Committee is of the opinion that the Market Value as determined in accordance with (i) above is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.</li> </ul>
“New Shares”	:	New Shares which may be issued from time to time pursuant to the vesting or release of an Award.
<del>“Non-Executive Director”</del>	<del>:</del>	<del>A Director (including an independent Director) other than an Executive Director.</del>
“Participant”	:	A person selected by the Committee to participate in the Plan or a person holding an Award.
“Performance Condition”	:	The performance condition prescribed by the Committee to be fulfilled by a Participant in relation to an Award.
“Plan”	:	AEM Performance Share Plan 2017, as may be amended or modified from time to time.
“Record Date”	:	In relation to any dividend, rights allotment or other distribution, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividend, rights allotment or other distribution.
“Rules”	:	The rules of the Plan, as may be amended or modified from time to time.
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of the Shares or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register.
“Shares”	:	Ordinary shares in the capital of the Company.
“%”	:	Percentage.
“S\$”	:	Singapore dollars.

- 2.2 The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act (~~Chapter 289~~) 2001.
- 2.3 The term “subsidiary” shall have the meaning ascribed to it by Section 5 of the Act.
- 2.4 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act and used in these Rules shall have the meaning assigned to it under the Act.
- 2.5 Words importing the singular number shall include the plural number where the context admits and *vice versa*. Words importing the masculine gender shall include the feminine and neuter genders where the context admits.
- 2.6 References to persons shall include corporations.
- 2.7 Any reference to a time of day shall be a reference to Singapore time.

### **3. Objectives**

The Plan is a share incentive scheme which will allow the Company, *inter alia*, to target specific performance objectives and to provide an incentive for Participants to achieve these targets.

The Directors believe that the Plan will incentivise Participants to excel in their performance and encourage greater dedication and loyalty to the Company. It will also give Participants an opportunity to have a real and personal direct interest in the Company and seek to achieve the following objectives:–

- (a) foster an ownership culture within the Group to build a stronger identification by Participants with the long-term prospects of the Company;
- (b) motivate Participants to achieve performance conditions and a high level of contribution to the Group;
- (c) retain key executives whose contributions are essential to the long-term growth of the Group;
- (d) attract potential employees with the relevant skills to contribute to the Group;
- (e) give recognition to the contributions made or to be made by key executives ~~and Non-Executive Directors~~; and
- (f) instil loyalty to, and reinforce a stronger identification by Participants with the long-term prosperity of, the Group.

It is hoped that through the Plan, the Company would be able to remain an attractive and competitive employer and better able to manage its remuneration costs without compromising on performance standards and efficiency.

#### **4. Eligibility**

4.1 The following persons (provided that such persons are not undischarged bankrupts and have not entered into any composition with their creditor(s)) shall be eligible to participate in the Plan at the absolute discretion of the Committee:-

- (a) Group Executives (including Executive Directors) who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time, provided that they are not Controlling Shareholders or their Associates.

For the purposes of Rule 4.1(a) above, the secondment of a Group Executive to another company within the Group shall not be regarded as a break in his employment or his having ceased, by reason only of such secondment, to be an employee of the Group.

- 4.2 There shall be no restriction under the Plan on the eligibility of any Participant to participate in any other share option or share incentive scheme implemented by the Company or any other company within the Group.
- 4.3 Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the Committee.

#### **5. Limits under the Plan**

- 5.1 The total number of New Shares which may be issued pursuant to Awards granted under the Plan on any date, when added to the total number of new Shares issued and issuable in respect of all Awards granted under the Plan (and any other share incentive schemes of the Company then in force) shall not exceed 150% of the total number of issued Shares (excluding Shares held by the Company as treasury shares and Shares (if any) held by a subsidiary of the Company) on the day preceding the relevant date of award.
- 5.2 Notwithstanding anything under these Rules, the delivery of Shares and the number of Shares delivered or to be delivered by the Company to Participants by way of transfer of Shares held by the Company in treasury pursuant to the vesting of Awards shall not be subject to any limits under the Plan (including the limits set out in Rules 5.1) as it does not involve the issuance of any New Shares.
- 5.3 In the case of performance-related Awards, ~~Awards may only be vested and consequently~~ any Shares comprised in such Awards shall only be delivered upon the Committee being satisfied that the Participant has achieved the Performance Condition(s).

#### **6. Grant of Awards**

- 6.1 Subject to Rule 5, the Committee, in its absolute discretion, may grant Awards to Participants, as the Committee may select, at any time during the period when the Plan is in force.
- 6.2 The number of Shares which are the subject of each Award to be granted to a Participant shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as, *inter alia*, in the case a Group Executive (including an Executive Director), his rank, ~~capability, scope of responsibilities, performance and contributions, years of service and potential for future development~~ and the Performance Condition(s). The Performance Condition(s) shall be determined at the absolute discretion of the Committee and may be based, *inter alia*, on the ~~achievement of financial target(s) and/or milestone(s) and/or the successful completion of a project~~ Return on Equity and Total Shareholders' Returns.

- 6.3 Once an Award is finalised by the Committee, the Committee shall cause the Company to issue to the Participant an Award letter or enter into an agreement with the Participant, granting the Award. The Award letter or agreement shall specify *inter alia* the following:–
- (a) the number of Shares which are the subject of the Award;
  - (b) in the case of a performance-related Award, the Performance Condition(s); and
  - (c) any other condition (including any vesting period(s) for the Shares) which the Committee may determine in relation to the Award.
- 6.4 After an Award has been granted to a Participant, the Committee may, at its absolute discretion, amend or waive the Performance Condition(s) in respect of the Award:–
- (a) in the event of a proposal to sell all or substantially all of the assets of the Company; or
  - (b) if anything happens which causes the Committee to conclude that:
    - (i) a change of the Performance Condition(s) would be a fairer measure of performance; or
    - (ii) the Performance Condition(s) should be waived,and shall notify the Participant of such amendment or waiver.
- 6.5 Participants are not required to pay for the grant of Awards.
- 6.6 If an Award results in a breach 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 or the Committee.
- 6.7 An Award is personal to the Participant to whom it is granted and shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of the Committee. If a Participant breaches the foregoing provision, the Award shall immediately lapse and become null and void.

## **7. Events prior to vesting**

- 7.1 An Award shall, to the extent not yet vested, immediately lapse and become null and void and the Participant shall have no any claim against the Company: –
- (a) upon the Participant ceasing to be in the employment of the Group (whether by way of resignation or termination of employment);
  - (b) upon the bankruptcy of the Participant, his entering into any composition with his creditor(s) or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Award; or
  - (c) in the event of any misconduct (including but not limited to any breach of employment terms or insubordination) on the part of the Participant as determined by the Committee in its absolute discretion.

For the purpose of Rule 7.1(a), the Participant shall be deemed to have ceased to be so employed as of the date of the notice of resignation or termination of employment, as the case may be, unless such notice is withdrawn prior to its effective date. Upon such cessation of employment, any Award(s) held by the Participant remaining unvested as at



the date of the notice of resignation or termination shall immediately lapse and become null and void. For the avoidance of doubt, no Award shall lapse pursuant to Rule 7.1(a) in the event of any transfer of employment of a Participant within any company in the Group.

7.2 In any of the following events, namely: –

- (a) where the Participant ceases to be in the employment of the Group by reason of: –
  - (i) ill health, injury, accident or disability (in each case, as certified by a medical practitioner approved by the Committee);
  - (ii) redundancy;
  - (iii) retirement at or after the legal or prescribed retirement age;
  - (iv) retirement before the legal or prescribed retirement age with the consent of the Committee; or
  - (v) any other event or reason approved in writing by the Committee, or
- (b) the death of the Participant,

then the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event whether or not to vest some or all of the Shares which are the subject of any Award. In exercising its discretion, the Committee shall have regard to all circumstances on a case-by-case basis, including but not limited to the contributions made by that Participant and the extent to which any Performance Condition, where relevant, has been satisfied. Upon the Committee exercising its discretion, the Award, to the extent not preserved or vested, shall immediately lapse and become null and void.

## **8. Vesting of Awards**

- 8.1 A Participant shall be entitled to Shares under an Award upon the vesting of the Award.
- 8.2 Subject to applicable laws and regulations, these Rules and the Listing Manual, the Company shall deliver Shares to the Participant upon vesting of his Award by way of an issue of New Shares and/or a transfer of Shares to the Participant.
- 8.3 In determining whether to issue New Shares and/or transfer Shares to satisfy the Award, the Company shall have the right to take into account factors such as but not limited to the availability of Shares held by the Company in treasury, the number of Shares to be delivered to the Participant, the prevailing market price of the Shares and the cost to the Company.
- 8.4 The Committee shall procure, upon the Board's approval therefor, the issuance or transfer to the Participant of the number of Shares which are to be released to the Participant pursuant to an Award. Any proposed issue of New Shares shall be subject to there being in force at the relevant time the requisite Shareholders' approval under the Act for the issue of Shares.

- 8.5 Subject to the foregoing, Shares shall be issued and/or transferred to a Participant not more than 10 Market Days after the vesting of an Award and the Company shall within 5 Market Days from the date of such issuance and/or transfer, despatch the relevant share certificate(s) to the Participant, or if the Shares are listed and quoted on the SGX-ST, to CDP for the credit of the securities account or securities sub account of the Participant, by ordinary post or such other mode of delivery as the Committee may deem fit, or in the case of a transfer of Shares, do such acts or things which are necessary for the transfer to be effective. Until the Participant is registered as holder of such Shares with the Company or CDP, as the case may be, the Participant shall have no voting rights and shall not be entitled to any dividends, rights allotments or other distributions declared or recommended in respect of those Shares.
- 8.6 Where New Shares are to be issued upon the vesting of an Award, the Company shall, as soon as practicable after such issuance, apply to the SGX-ST for permission to deal in and for quotation of such Shares.
- 8.7 Shares issued and/or transferred to the Participant upon the vesting of an Award shall be subject to all the provisions of the memorandum and articles of association or constitution of the Company, and shall rank in full for all entitlements, excluding dividends, rights allotments and other distributions declared or recommended in respect of the then existing Shares, the Record Date for which falls on or before the issuance and/or transfer of Shares to the Participant, and shall in all other respects rank *pari passu* with other existing Shares then in issue (such as voting, dividend, transfer and other rights attached thereto including those arising from a liquidation of the Company).

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

If before the vesting of an Award, any of the following events occurs:

- (a) a take-over offer for the Shares is, becomes or is declared unconditional;
- (b) 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 being approved by Shareholders and/or sanctioned by a court under applicable legislation; or
- (c) an order being made or a resolution being passed for the winding-up of the Company (whether voluntary or on the basis of its insolvency),

the Committee will consider, at its absolute discretion, and subject to any legal or regulatory requirements, whether or not to release the Award, and will take into account all circumstances on a case-by-case basis, including but not limited to the contributions made by the Participant. If the Committee decides to release the Award, then in determining the number of Shares to be vested in respect of the Award, the Committee will have regard to the extent to which the Performance Condition(s), where relevant, have been satisfied and any legal or regulatory requirements. Subject to the foregoing, where an Award is released, the Committee will, as soon as practicable after the Award has been released, procure the issuance and/or transfer to the Participant of the number of Shares so determined, such issuance and/or transfer to be made in accordance with Rule 8.

## **10. Cash Awards**

The Committee may, at its absolute discretion, determine to make a release of an Award, wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive, as soon as practicable after the vesting of the Award, in lieu of all or part of the Shares which would otherwise have been issued and/or transferred to him on the release of the Award, the aggregate Market Value of such Shares.

## **11. Adjustments**

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

- (a) the number of Shares comprised in an Award to the extent not yet vested; and/or
- (b) the number of Shares over which Awards which may be granted under the Plan, shall be adjusted in such manner as the Committee may determine to be appropriate.

11.2 Unless the Committee considers an adjustment to be appropriate: –

- (a) the issue of securities (including but not limited to Shares or other securities or instruments convertible into or with rights to acquire or subscribe for Shares) as consideration or part consideration for an acquisition (including but not limited to an acquisition of other securities, assets and/or business) or a private placement of securities;
- (b) any increase in the issued share capital of the Company as a consequence of the delivery of Shares pursuant to the vesting of Awards from time to time by the Company or through any other share-based incentive schemes implemented by the Company;
- (c) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force; and
- (d) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company,

shall not normally be regarded as a circumstance requiring adjustment.

11.3 Notwithstanding Rule 11.1: –

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

11.4 Upon any adjustment required to be made pursuant to this Rule 11, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred pursuant to the grant of an Award. Any adjustment shall take effect upon such written notification being given.

## **12. Administration of the Plan**

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

- 12.2 The Committee shall have the power, from time to time, to make and vary such rules (not being inconsistent with the Plan) for the implementation and administration of the Plan as it thinks fit including, but not limited to: –
- (a) imposing restrictions on the number of Awards that may be vested within each financial year; and
  - (b) amending Performance Condition(s) if by so doing, it would be a fairer measure of performance for a Participant or for the Plan as a whole.
- 12.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company, its subsidiaries or the Committee any liability whatsoever in connection with: –
- (a) the lapsing of any Award pursuant to any provision of the Plan;
  - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or
  - (c) any decision or determination of the Committee made pursuant to any provision of the Plan.
- 12.4 Any decision of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final and binding in all cases including any decisions pertaining to the number of Shares to be vested or relating to disputes as to the interpretation of the Plan or any rule, regulation or procedure thereunder or as to any rights under the Plan.

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

- 13.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses as may be notified by the Company to him in writing.
- 13.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or at the last known address, electronic mail address or facsimile number of the Participant.
- 13.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any notice or communication from the Company to a Participant shall be deemed to be received by the Participant when left at the address specified in Rule 13.2, or if sent by post, shall be deemed to have been given on the day following the date of posting, or if sent by electronic mail or facsimile transmission, upon transmission.
- 13.4 The Company, as required by law or the SGX-ST or other relevant authority, shall make the following disclosures in its annual report for so long as the Plan continues in operation: –
- (a) the names of the members of the Committee;
  - (b) the information required in the table below for the following Participants: –
    - (i) Directors; and
    - (ii) Controlling Shareholders and their Associates, and a statement that Controlling Shareholders and their Associates are not eligible to participate in the Plan; and

- (iii) Participants (other than those in (i) and (ii) above) who have received Shares pursuant to the vesting of Awards which, in aggregate, represent 5% or more of the total number of Shares available under the Plan

Name of Participant	Shares comprised in Awards granted during financial year under review (including terms)	Aggregate Shares comprised in Awards granted since commencement of the Plan to end of financial year under review	Aggregate Shares comprised in Awards vested since commencement of the Plan to end of financial year under review	Aggregate Shares comprised in Awards outstanding as at end of financial year under review
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- (c) a statement that the directors and employees of the parent company (if any) and its subsidiaries are not eligible to participate in the Plan; and
- (d) such other information as may be required by the Listing Manual or the Act.

#### 14. Modifications to the Plan

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

- (a) any modification or alteration which would be to the advantage of Participants under the Plan shall be subject to the prior approval of Shareholders in general meeting; and
- (b) no modification or alteration shall be made without due compliance with the Listing Manual and such other regulatory authorities as may be necessary.

14.2 The Committee may at any time by resolution amend or alter the rules or provisions of the Plan in any way to the extent necessary to cause the Plan to comply with any statutory provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

14.3 In addition to the above, no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the written consent of such number of Participants under the Plan who, if their Awards were vested in them, would thereby become entitled to not less than three-quarters in the total number of all the Shares which would be issued or delivered in full for all outstanding Awards under the Plan.

14.4 For the purposes of this Rule 14, the opinion of the Committee as to whether any modification or alteration would materially and adversely alter the rights attaching to any Award or be to the advantage of the Participants, shall be final and conclusive.

14.5 Written notice of any modification or alteration made in accordance with this Rule 14 shall be given to all Participants.

#### 15. Terms of employment unaffected

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

## **16. Duration of the Plan**

- 16.1 The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the Adoption Date, provided always that the Plan may continue beyond the aforesaid maximum period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required.
- 16.2 The Plan may be terminated at any time by the Committee or by resolution of the Company in general meeting subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be ~~vested~~ granted by the Company thereunder.
- 16.3 The expiry or termination of the Plan shall not affect Awards which have been granted, whether the Awards have been vested or not.

## **17. Taxes**

All taxes (including income tax) arising from the grant of Awards or the issue, transfer or disposal of Shares pursuant to the Award(s) granted to any Participant under the Plan shall be borne by that Participant.

## **18. Costs and expenses**

- 18.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and/or transfer of any Shares in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, the Participant's securities sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank.
- 18.2 Save for the taxes referred to in Rule 17 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to fees, costs and expenses relating to the allotment, issue, transfer and/or delivery of Shares pursuant to the Awards shall be borne by the Company.

## **19. 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 or damages whatsoever and howsoever arising in respect of any matter under or in connection with the Plan, including but not limited to the Company's delay in issuing or transferring the Shares or applying for or procuring the listing of the Shares on the SGX-ST.

## **20. Disputes**

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

## **21. Condition of Awards**

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

**22. Governing law and Jurisdiction**

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

**23. Collection, Use and Disclosure of Personal Data**

For the purposes of implementing and administering the Plan, and in order to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines, the Company will collect, use and disclose the personal data of the Participants, as contained in each Award Letter and/or any other notice or communication given or received pursuant to the Plan, and/or which is otherwise collected from the Participants (or their authorised representatives). By participating in the Plan, each Participant consents to the collection, use and disclosure of his personal data for all such purposes, including disclosure of data to related corporations of the Company and/or third parties who provide services to the Company (whether within or outside Singapore), and to the collection, use and further disclosure by such parties for such purposes. Each Participant also warrants that where he discloses the personal data of third parties to the Company in connection with this Plan, he has obtained the prior consent of such third parties for the Company to collect, use and disclose their personal data for the abovementioned purposes, in accordance with any applicable laws, regulations and/or guidelines. Each Participant shall indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Participant's breach of this warranty.

## APPENDIX C

### PROPOSED AMENDED RULES OF THE AEM PERFORMANCE SHARE PLAN 2017

#### 1. Name of the Plan

This performance share plan shall be called the "AEM Performance Share Plan 2017" (the "Plan").

#### 2. Definitions

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

"Act"	:	The Companies Act 1967 of Singapore, as may be amended or modified from time to time.
"Adoption Date"	:	The date on which the Plan is approved by the Company in general meeting.
"Associate"	:	Shall have the meaning ascribed to it in the Listing Manual.
"Auditors"	:	The auditors of the Company for the time being.
"Award"	:	A contingent award of Shares under the Plan.
"Board"	:	The board of directors of the Company for the time being.
"CDP"	:	The Central Depository (Pte) Limited
"Committee"	:	The remuneration committee of the Board or such other committee of Directors authorised or established by the Board to administer the Plan.
"Company"	:	AEM Holdings Ltd.
"control"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.
"Controlling Shareholder"	:	A person who holds directly or indirectly 15% or more of the total number of issued shares (excluding treasury shares, if any) in the Company unless the SGX-ST determines otherwise or a person who in fact exercises control over the Company, as defined under the Listing Manual.
"CPF"	:	The Central Provident Fund
"Director"	:	A director of the Company for the time being.
"Executive Director"	:	A Director who performs an executive function within the Group.
"Group"	:	The Company together with its subsidiaries.
"Group Executive"	:	An employee of the Group (including an Executive Director).
"Listing Manual"	:	The Listing Manual of the SGX-ST, as may be amended or modified from time to time.



- “Market Day” : A day on which the SGX-ST is open for trading of securities.
- “Market Value” : In relation to a Share on any day means:
- (i) the price equal to the average of the last dealt prices for a Share, as determined by reference to the daily official list or other publication published by the SGX-ST, over the three (3) immediately preceding Market Days; or
  - (ii) if the Committee is of the opinion that the Market Value as determined in accordance with (i) above is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- “New Shares” : New Shares which may be issued from time to time pursuant to the vesting or release of an Award.
- “Participant” : A person selected by the Committee to participate in the Plan or a person holding an Award.
- “Performance Condition” : The performance condition prescribed by the Committee to be fulfilled by a Participant in relation to an Award.
- “Plan” : AEM Performance Share Plan 2017, as may be amended or modified from time to time.
- “Record Date” : In relation to any dividend, rights allotment or other distribution, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividend, rights allotment or other distribution.
- “Rules” : The rules of the Plan, as may be amended or modified from time to time.
- “SGX-ST” : The Singapore Exchange Securities Trading Limited
- “Shareholders” : Registered holders of the Shares or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register.
- “Shares” : Ordinary shares in the capital of the Company.
- “%” : Percentage.
- “S\$” : Singapore dollars.
- 2.2 The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act 2001.
- 2.3 The term “subsidiary” shall have the meaning ascribed to it by Section 5 of the Act.

- 2.4 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act and used in these Rules shall have the meaning assigned to it under the Act.
- 2.5 Words importing the singular number shall include the plural number where the context admits and vice versa. Words importing the masculine gender shall include the feminine and neuter genders where the context admits.
- 2.6 References to persons shall include corporations.
- 2.7 Any reference to a time of day shall be a reference to Singapore time.

### **3. Objectives**

The Plan is a share incentive scheme which will allow the Company, *inter alia*, to target specific performance objectives and to provide an incentive for Participants to achieve these targets.

The Directors believe that the Plan will incentivise Participants to excel in their performance and encourage greater dedication and loyalty to the Company. It will also give Participants an opportunity to have a real and personal direct interest in the Company and seek to achieve the following objectives:-

- (a) foster an ownership culture within the Group to build a stronger identification by Participants with the long-term prospects of the Company;
- (b) motivate Participants to achieve performance conditions and a high level of contribution to the Group;
- (c) retain key executives whose contributions are essential to the long-term growth of the Group;
- (d) attract potential employees with the relevant skills to contribute to the Group;
- (e) give recognition to the contributions made or to be made by key executives; and
- (f) instil loyalty to, and reinforce a stronger identification by Participants with the long-term prosperity of, the Group.

It is hoped that through the Plan, the Company would be able to remain an attractive and competitive employer and better able to manage its remuneration costs without compromising on performance standards and efficiency.

### **4. Eligibility**

- 4.1 The following persons (provided that such persons are not undischarged bankrupts and have not entered into any composition with their creditor(s)) shall be eligible to participate in the Plan at the absolute discretion of the Committee:-
- (a) Group Executives (including Executive Directors) who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time, provided that they are not Controlling Shareholders or their Associates.

For the purposes of Rule 4.1(a) above, the secondment of a Group Executive to another company within the Group shall not be regarded as a break in his employment or his having ceased, by reason only of such secondment, to be an employee of the Group.

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

4.3 Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the Committee.

## **5. Limits under the Plan**

5.1 The total number of New Shares which may be issued pursuant to Awards granted under the Plan on any date, when added to the total number of new Shares issued and issuable in respect of all Awards granted under the Plan (and any other share incentive schemes of the Company then in force) shall not exceed 10% of the total number of issued Shares (excluding Shares held by the Company as treasury shares and Shares (if any) held by a subsidiary of the Company) on the day preceding the relevant date of award.

5.2 Notwithstanding anything under these Rules, the delivery of Shares and the number of Shares delivered or to be delivered by the Company to Participants by way of transfer of Shares held by the Company in treasury pursuant to the vesting of Awards shall not be subject to any limits under the Plan (including the limits set out in Rules 5.1) as it does not involve the issuance of any New Shares.

5.3 In the case of performance-related Awards, any Shares comprised in such Awards shall only be delivered upon the Committee being satisfied that the Participant has achieved the Performance Condition(s).

## **6. Grant of Awards**

6.1 Subject to Rule 5, the Committee, in its absolute discretion, may grant Awards to Participants, as the Committee may select, at any time during the period when the Plan is in force.

6.2 The number of Shares which are the subject of each Award to be granted to a Participant shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as, *inter alia*, in the case a Group Executive (including an Executive Director), his rank, scope of responsibilities, and the Performance Condition(s). The Performance Condition(s) shall be determined at the absolute discretion of the Committee and may be based, *inter alia*, on the Return on Equity and Total Shareholders' Returns.

6.3 Once an Award is finalised by the Committee, the Committee shall cause the Company to issue to the Participant an Award letter or enter into an agreement with the Participant, granting the Award. The Award letter or agreement shall specify *inter alia* the following:–

- (a) the number of Shares which are the subject of the Award;
- (b) in the case of a performance-related Award, the Performance Condition(s); and
- (c) any other condition (including any vesting period(s) for the Shares) which the Committee may determine in relation to the Award.

6.4 After an Award has been granted to a Participant, the Committee may, at its absolute discretion, amend or waive the Performance Condition(s) in respect of the Award:–

- (a) in the event of a proposal to sell all or substantially all of the assets of the Company; or

- (b) if anything happens which causes the Committee to conclude that:
  - (i) a change of the Performance Condition(s) would be a fairer measure of performance; or
  - (ii) the Performance Condition(s) should be waived,and shall notify the Participant of such amendment or waiver.

6.5 Participants are not required to pay for the grant of Awards.

6.6 If an Award results in a breach 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 or the Committee.

6.7 An Award is personal to the Participant to whom it is granted and shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of the Committee. If a Participant breaches the foregoing provision, the Award shall immediately lapse and become null and void.

## **7. Events prior to vesting**

7.1 An Award shall, to the extent not yet vested, immediately lapse and become null and void and the Participant shall have no any claim against the Company: –

- (a) upon the Participant ceasing to be in the employment of the Group (whether by way of resignation or termination of employment);
- (b) upon the bankruptcy of the Participant, his entering into any composition with his creditor(s) or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Award; or
- (c) in the event of any misconduct (including but not limited to any breach of employment terms or insubordination) on the part of the Participant as determined by the Committee in its absolute discretion.

For the purpose of Rule 7.1(a), the Participant shall be deemed to have ceased to be so employed as of the date of the notice of resignation or termination of employment, as the case may be, unless such notice is withdrawn prior to its effective date. Upon such cessation of employment, any Award(s) held by the Participant remaining unvested as at the date of the notice of resignation or termination shall immediately lapse and become null and void. For the avoidance of doubt, no Award shall lapse pursuant to Rule 7.1(a) in the event of any transfer of employment of a Participant within any company in the Group.

7.2 In any of the following events, namely: –

- (a) where the Participant ceases to be in the employment of the Group by reason of: –
  - (i) ill health, injury, accident or disability (in each case, as certified by a medical practitioner approved by the Committee);
  - (ii) redundancy;
  - (iii) retirement at or after the legal or prescribed retirement age;
  - (iv) retirement before the legal or prescribed retirement age with the consent of the Committee; or

(v) any other event or reason approved in writing by the Committee, or

(b) the death of the Participant,

then the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event whether or not to vest some or all of the Shares which are the subject of any Award. In exercising its discretion, the Committee shall have regard to all circumstances on a case-by-case basis, including but not limited to the contributions made by that Participant and the extent to which any Performance Condition, where relevant, has been satisfied. Upon the Committee exercising its discretion, the Award, to the extent not preserved or vested, shall immediately lapse and become null and void.

## **8. Vesting of Awards**

- 8.1 A Participant shall be entitled to Shares under an Award upon the vesting of the Award.
- 8.2 Subject to applicable laws and regulations, these Rules and the Listing Manual, the Company shall deliver Shares to the Participant upon vesting of his Award by way of an issue of New Shares and/or a transfer of Shares to the Participant.
- 8.3 In determining whether to issue New Shares and/or transfer Shares to satisfy the Award, the Company shall have the right to take into account factors such as but not limited to the availability of Shares held by the Company in treasury, the number of Shares to be delivered to the Participant, the prevailing market price of the Shares and the cost to the Company.
- 8.4 The Committee shall procure, upon the Board's approval therefor, the issuance or transfer to the Participant of the number of Shares which are to be released to the Participant pursuant to an Award. Any proposed issue of New Shares shall be subject to there being in force at the relevant time the requisite Shareholders' approval under the Act for the issue of Shares.
- 8.5 Subject to the foregoing, Shares shall be issued and/or transferred to a Participant not more than 10 Market Days after the vesting of an Award and the Company shall within 5 Market Days from the date of such issuance and/or transfer, despatch the relevant share certificate(s) to the Participant, or if the Shares are listed and quoted on the SGX-ST, to CDP for the credit of the securities account or securities sub account of the Participant, by ordinary post or such other mode of delivery as the Committee may deem fit, or in the case of a transfer of Shares, do such acts or things which are necessary for the transfer to be effective. Until the Participant is registered as holder of such Shares with the Company or CDP, as the case may be, the Participant shall have no voting rights and shall not be entitled to any dividends, rights allotments or other distributions declared or recommended in respect of those Shares.
- 8.6 Where New Shares are to be issued upon the vesting of an Award, the Company shall, as soon as practicable after such issuance, apply to the SGX-ST for permission to deal in and for quotation of such Shares.
- 8.7 Shares issued and/or transferred to the Participant upon the vesting of an Award shall be subject to all the provisions of the memorandum and articles of association or constitution of the Company, and shall rank in full for all entitlements, excluding dividends, rights allotments and other distributions declared or recommended in respect of the then existing Shares, the Record Date for which falls on or before the issuance and/or transfer of Shares to the Participant, and shall in all other respects rank *pari passu* with other existing Shares then in issue (such as voting, dividend, transfer and other rights attached thereto including those arising from a liquidation of the Company).

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

If before the vesting of an Award, any of the following events occurs:

- (a) a take-over offer for the Shares is, becomes or is declared unconditional;
- (b) 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 being approved by Shareholders and/or sanctioned by a court under applicable legislation; or
- (c) an order being made or a resolution being passed for the winding-up of the Company (whether voluntary or on the basis of its insolvency),

the Committee will consider, at its absolute discretion, and subject to any legal or regulatory requirements, whether or not to release the Award, and will take into account all circumstances on a case-by-case basis, including but not limited to the contributions made by the Participant. If the Committee decides to release the Award, then in determining the number of Shares to be vested in respect of the Award, the Committee will have regard to the extent to which the Performance Condition(s), where relevant, have been satisfied and any legal or regulatory requirements. Subject to the foregoing, where an Award is released, the Committee will, as soon as practicable after the Award has been released, procure the issuance and/or transfer to the Participant of the number of Shares so determined, such issuance and/or transfer to be made in accordance with Rule 8.

## **10. Cash Awards**

The Committee may, at its absolute discretion, determine to make a release of an Award, wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive, as soon as practicable after the vesting of the Award, in lieu of all or part of the Shares which would otherwise have been issued and/or transferred to him on the release of the Award, the aggregate Market Value of such Shares.

## **11. Adjustments**

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

- (a) the number of Shares comprised in an Award to the extent not yet vested; and/or
- (b) the number of Shares over which Awards which may be granted under the Plan, shall be adjusted in such manner as the Committee may determine to be appropriate.

11.2 Unless the Committee considers an adjustment to be appropriate: –

- (a) the issue of securities (including but not limited to Shares or other securities or instruments convertible into or with rights to acquire or subscribe for Shares) as consideration or part consideration for an acquisition (including but not limited to an acquisition of other securities, assets and/or business) or a private placement of securities;
- (b) any increase in the issued share capital of the Company as a consequence of the delivery of Shares pursuant to the vesting of Awards from time to time by the Company or through any other share-based incentive schemes implemented by the Company;

- (c) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force; and
- (d) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company,

shall not normally be regarded as a circumstance requiring adjustment.

11.3 Notwithstanding Rule 11.1: –

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

11.4 Upon any adjustment required to be made pursuant to this Rule 11, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred pursuant to the grant of an Award. Any adjustment shall take effect upon such written notification being given.

## 12. Administration of the Plan

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

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

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

12.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company, its subsidiaries or the Committee any liability whatsoever in connection with: –

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

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

### 13. Notices and Annual Report

- 13.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses as may be notified by the Company to him in writing.
- 13.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or at the last known address, electronic mail address or facsimile number of the Participant.
- 13.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any notice or communication from the Company to a Participant shall be deemed to be received by the Participant when left at the address specified in Rule 13.2, or if sent by post, shall be deemed to have been given on the day following the date of posting, or if sent by electronic mail or facsimile transmission, upon transmission.
- 13.4 The Company, as required by law or the SGX-ST or other relevant authority, shall make the following disclosures in its annual report for so long as the Plan continues in operation: –
- (a) the names of the members of the Committee;
  - (b) the information required in the table below for the following Participants: –
    - (i) Directors; and
    - (ii) Controlling Shareholders and their Associates, and a statement that Controlling Shareholders and their Associates are not eligible to participate in the Plan; and
    - (iii) Participants (other than those in (i) and (ii) above) who have received Shares pursuant to the vesting of Awards which, in aggregate, represent 5% or more of the total number of Shares available under the Plan

Name of Participant	Shares comprised in Awards granted during financial year under review (including terms)	Aggregate Shares comprised in Awards granted since commencement of the Plan to end of financial year under review	Aggregate Shares comprised in Awards vested since commencement of the Plan to end of financial year under review	Aggregate Shares comprised in Awards outstanding as at end of financial year under review
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- (c) a statement that the directors and employees of the parent company (if any) and its subsidiaries are not eligible to participate in the Plan; and
- (d) such other information as may be required by the Listing Manual or the Act.



## **14. Modifications to the Plan**

- 14.1 Any or all of the provisions of the Plan may be modified and/or altered at any time and from time to time by resolution of the Committee, except that: –
- (a) any modification or alteration which would be to the advantage of Participants under the Plan shall be subject to the prior approval of Shareholders in general meeting; and
  - (b) no modification or alteration shall be made without due compliance with the Listing Manual and such other regulatory authorities as may be necessary.
- 14.2 The Committee may at any time by resolution amend or alter the rules or provisions of the Plan in any way to the extent necessary to cause the Plan to comply with any statutory provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 14.3 In addition to the above, no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the written consent of such number of Participants under the Plan who, if their Awards were vested in them, would thereby become entitled to not less than three-quarters in the total number of all the Shares which would be issued or delivered in full for all outstanding Awards under the Plan.
- 14.4 For the purposes of this Rule 14, the opinion of the Committee as to whether any modification or alteration would materially and adversely alter the rights attaching to any Award or be to the advantage of the Participants, shall be final and conclusive.
- 14.5 Written notice of any modification or alteration made in accordance with this Rule 14 shall be given to all Participants.

## **15. Terms of employment unaffected**

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

## **16. Duration of the Plan**

- 16.1 The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the Adoption Date, provided always that the Plan may continue beyond the aforesaid maximum period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required.
- 16.2 The Plan may be terminated at any time by the Committee or by resolution of the Company in general meeting subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Company thereunder.
- 16.3 The expiry or termination of the Plan shall not affect Awards which have been granted, whether the Awards have been vested or not.

## **17. Taxes**

All taxes (including income tax) arising from the grant of Awards or the issue, transfer or disposal of Shares pursuant to the Award(s) granted to any Participant under the Plan shall be borne by that Participant.

## **18. Costs and expenses**

- 18.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and/or transfer of any Shares in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, the Participant's securities sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank.
- 18.2 Save for the taxes referred to in Rule 17 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to fees, costs and expenses relating to the allotment, issue, transfer and/or delivery of Shares pursuant to the Awards shall be borne by the Company.

## **19. 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 or damages whatsoever and howsoever arising in respect of any matter under or in connection with the Plan, including but not limited to the Company's delay in issuing or transferring the Shares or applying for or procuring the listing of the Shares on the SGX-ST.

## **20. Disputes**

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

## **21. Condition of Awards**

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

## **22. Governing law and Jurisdiction**

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

## **23. Collection, Use and Disclosure of Personal Data**

For the purposes of implementing and administering the Plan, and in order to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines, the Company will collect, use and disclose the personal data of the Participants, as contained in each Award Letter and/or any other notice or communication given or received pursuant to the Plan, and/or which is otherwise collected from the Participants (or their authorised representatives). By participating in the Plan, each Participant consents to the collection, use and disclosure of his personal data for all such purposes, including disclosure of data to related corporations of the Company and/or third parties who provide services to the Company (whether within or outside Singapore), and to the collection, use and further disclosure by such parties for such purposes. Each Participant also warrants that where he discloses the personal data of third parties to the Company in connection with this Plan, he has obtained the prior consent of such third parties for the Company to collect, use and disclose their personal data for the abovementioned purposes, in accordance with any applicable laws, regulations and/or guidelines. Each Participant shall indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Participant's breach of this warranty.