

APPENDIX DATED 10 OCTOBER 2024

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS APPENDIX OR THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.

This Appendix together with the Company's annual report of ISOteam Ltd. (the "**Company**") for the financial year ended 30 June 2024 (the "**Annual Report**") has been made available to the shareholders of the Company (the "**Shareholders**") on the SGXNet and the Company's website at <http://isoteam.listedcompany.com>. Its purpose is to provide Shareholders with information relating to the Proposed Transactions (as defined herein) to be tabled at the 2024 AGM (as defined herein) to be held on 25 October 2024 at 10.00 am. or at any adjournment thereof at 8 Changi North Street 1, ISOteam Building, Singapore 498829.

The ordinary resolutions proposed to be passed in respect of the Proposed Transactions are set out as Ordinary Resolutions 8 and 9 in the Notice of AGM (as defined herein) enclosed in the Annual Report.

A printed copy of this Appendix and the Annual Report will NOT be despatched to Shareholders. The notice of AGM and a proxy form are enclosed with the Annual Report.

If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately inform the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee that this Appendix (together with the Annual Report) may be accessed via the SGXNet and the Company's website at <http://isoteam.listedcompany.com>.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Hong Leong Finance Limited (the "**Sponsor**"). This Appendix has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any statements or opinions made, or reports contained in this Appendix.

The contact person for the Sponsor is Mr Kaeson Chui, Vice President, 16 Raffles Quay, #01-05, Hong Leong Building, Singapore 048581, telephone: (65) 6415 9886.



**ISOTEAM
ISOTEAM LTD.**

(Company Registration No.: 201230294M)
(Incorporated in the Republic of Singapore)

APPENDIX TO THE NOTICE OF AGM IN RELATION TO

- (1) THE PROPOSED AMENDMENTS TO THE RULES OF THE ISOTEAM PERFORMANCE SHARE PLAN
- (2) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

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DEFINITIONS

In this Appendix, except where the context otherwise requires, the following definitions shall apply throughout:

“2024 AGM”	:	the annual general meeting of the Company to be held at 8 Changi North Street 1, ISOTeam Building, Singapore 498829 on 25 October 2024 at 10.00 am.
“ACRA”	:	has the meaning ascribed to it in Section 3.11 of this Appendix
“AGM”	:	the annual general meeting of the Company
“AIHPL”	:	has the meaning ascribed to it in Section 3.8 of this Appendix
“Annual Report”	:	the annual report of the Company for FY2024
“Appendix”	:	this Appendix to the Notice of AGM dated 10 October 2024
“Associate”	:	(a) in relation to any individual, including a Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Average Closing Price”	:	has the meaning ascribed to it in Section 3.2 of this Appendix
“Awards”	:	a contingent award of Shares granted under the Rules of the ISOTeam PSP
“Board”	:	the board of Directors of the Company as at the date of this Appendix or from time to time, as the case may be
“Catalist”	:	the Catalist board of the SGX-ST

DEFINITIONS

“Catalist Rules”	:	the SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time
“CDP”	:	the Central Depository (Pte) Limited
“CEO”	:	Chief Executive Officer or the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business
“Concert Party Group”	:	has the meaning ascribed to it in Section 3.8.4 of this Appendix
“Committee”	:	the committee appointed by the Board to administer the ISOTeam PSP
“Company”	:	ISOTeam Ltd.
“Companies Act”	:	the Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time
“Constitution”	:	the Constitution of the Company, as may be amended, modified or supplemented from time to time
“control”	:	the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	:	a person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in a company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over a company
“Director”	:	a director of the Company as at the date of this Appendix or from time to time, as the case may be
“Eligible Shareholders”	:	has the meaning ascribed to it in Section 6.1 of this Appendix
“Employee”	:	any employee of the Group selected by the Committee to participate in the ISOTeam PSP
“EPS”	:	has the meaning ascribed to it in Section 3.4 of this Appendix
“Executive Director”	:	a director of the Company for the time being, holding office in an executive capacity in the Company
“Founders”	:	has the meaning ascribed to it in Section 3.8.4 of this Appendix

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“Founders’ Children”	:	has the meaning ascribed to it in Section 3.8.4 of this Appendix
“FY2024”	:	the financial year ended 30 June 2024
“Grant of Awards”	:	has the meaning ascribed to it in Footnote 1 of Section 3.2 of this Appendix
“Group”	:	the Company and its subsidiaries
“Independent Director”	:	an independent director of the Company
“ISOTeam PSP”	:	the ISOTeam Performance Share Plan 2023 of the Company which was approved and adopted on 24 October 2023, as amended or modified from time to time
“Latest Practicable Date”	:	25 September 2024, being the latest practicable date prior to the issue of this Appendix
“Market Day”	:	has the meaning ascribed to it in Section 3.2 of this Appendix
“Market Purchases”	:	has the meaning ascribed to it in Section 3.2 of this Appendix
“Maximum Price”	:	has the meaning ascribed to it in Section 3.2 of this Appendix
“Non-Executive Director”	:	a director of the Company for the time being, who is not an Executive Director but including an Independent Director
“Notice of AGM”	:	the notice of the 2024 AGM
“NTA”	:	has the meaning ascribed to it in Section 3.7 of this Appendix
“Off-Market Purchases”	:	has the meaning ascribed to it in Section 3.2 of this Appendix
“Proposed Transactions”	:	has the meaning ascribed to it in Section 1.1 of this Appendix
“Required Price”	:	has the meaning ascribed to it in Section 3.8.5 of this Appendix
“Rules”	:	the rules of the ISOTeam PSP, as the same may be amended or supplemented from time to time
“Securities Accounts”	:	the securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
“SFA” or “Securities and Futures Act”	:	the Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time

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“SGXNet”	:	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Buyback Mandate”	:	has the meaning ascribed to it in Section 1.1(b) of this Appendix
“Shares”	:	ordinary shares in the capital of the Company and “Share” shall be construed accordingly
“Shareholders”	:	registered holder(s) of Shares in the register of members of the Company, except where the registered holder is CDP, in which case the term “Shareholders” shall, in relation to such Shares, mean the Depositors who have Shares entered against their name in the Depository Register of CDP. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
“SIC”	:	the Securities Industry Council of Singapore
“Subsidiary Holdings”	:	Shares held by a subsidiary in accordance with the Companies Act
“Substantial Shareholder”	:	a person who has an interest or interests in voting Shares (excluding Treasury Shares and Subsidiary Holdings), representing not less than 5% of all the voting Shares
“Take-over Code”	:	has the meaning ascribed to it in Section 3.8 of this Appendix
“Treasury Shares”	:	the Shares held in treasury by the Company
“Treasury Shares Limit”	:	has the meaning ascribed to it in Section 3.6.2 of this Appendix
“S\$”	:	Singapore dollars, being the lawful currency of Singapore
“%”	:	per centum or percentage

Unless the context otherwise requires:

- (a) the terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA;
- (b) the terms “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in Section 5 of the Companies Act;
- (c) words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and

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neuter genders. Unless the context otherwise requires, any references to persons shall include individuals, corporate bodies (wherever incorporated), unincorporated associations and partnerships;

- (d) any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Catalist Rules or any statutory or regulatory modification thereof and not otherwise defined in this Appendix shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or such modification thereof, as the case may be, unless the context otherwise requires;
- (e) any reference to a time of a day in this Appendix shall be a reference to Singapore time unless otherwise stated;
- (f) any discrepancies between the figures listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them; and
- (g) the headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Appendix are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements. Further, the Company disclaim any responsibility to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS



ISOTEAM ISOTEAM LTD.

(Company Registration No.: 201230294M)
(Incorporated in the Republic of Singapore)

BOARD OF DIRECTORS

David Ng Cheng Lian	<i>(Executive Chairman)</i>
Anthony Koh Thong Huat	<i>(Executive Director and Chief Executive Officer)</i>
Danny Foo Joon Lye	<i>(Executive Director)</i>
Ryota Fukuda	<i>(Non-Executive Director)</i>
Tan Eng Ann	<i>(Lead Independent Director)</i>
Teo Ho Pin	<i>(Independent Director)</i>
Jeremiah Huang WeiQuan	<i>(Independent Director)</i>

REGISTERED OFFICE

8 Changi North Street 1
ISOTeam Building
Singapore 498829

10 October 2024

To: The Shareholders of the Company

Dear Sir/Madam,

- (1) THE PROPOSED AMENDMENTS TO THE RULES OF THE ISOTEAM PERFORMANCE SHARE PLAN (“PSP”)**
- (2) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE**

1. INTRODUCTION

- 1.1. The Directors refer to the Notice of AGM dated 10 October 2024 accompanying the Annual Report of the Company for FY2024, and ordinary resolutions set out in the Notice of AGM in relation to:
 - (a) the proposed amendments to the Rules of the ISOTeam PSP; and
 - (b) the proposed renewal of a share buyback mandate (the “**Share Buyback Mandate**”),(collectively, the “**Proposed Transactions**”).
- 1.2. The purpose of this Appendix is to provide Shareholders with information relating to the Proposed Transactions to be tabled at the 2024 AGM.
- 1.3. This Appendix has been prepared solely for the purpose set out herein and may not be relied on by any persons (other than the Shareholders) nor for any other purpose.

LETTER TO SHAREHOLDERS

- 1.4. Icon Law LLC (the Singapore member of the ZICO Law Network) has been appointed as the legal adviser to the Company in relation to the proposed amendments to the Rules of the ISOTeam PSP to be tabled at the AGM.
- 1.5. Aquinas Law Alliance LLP has been appointed as the legal adviser to the Company in relation to the proposed renewal of the Share Buyback Mandate to be tabled at the AGM.

2. THE PROPOSED AMENDMENTS TO THE RULES OF THE ISOTEAM PSP

2.1. Introduction

The ISOTeam PSP was adopted by the Company at the extraordinary general meeting held on 24 October 2023.

Save for the ISOTeam PSP, the Company does not have any other employee share plan or employee share option plan in place.

As at the Latest Practicable Date, the Company has granted Awards to selected employees of the Company in respect of 6,450,000 Shares under the ISOTeam PSP.

2.2. Rationale for and benefits of the ISOTeam PSP

The purpose of adopting the ISOTeam PSP was to give the Company greater flexibility to align the interests of Employees with interests of the Shareholders. The ISOTeam PSP was designed to enable the Company to reward, retain and motivate Employees to achieve superior performance and continue to strive for our Group's long-term growth. The grant of Awards to the Employees allows a fair and equitable system to reward the Employees who have made and who continue to make significant contributions to the long-term growth of the Group.

Pursuant to the Rules of the ISOTeam PSP, Employees who have attained the age of 18 years and above on or before the relevant date of grant of an Award, provided that none shall be an undischarged bankrupt or have entered into a composition with his creditors. An Executive Director is only eligible to participate in the ISOTeam PSP if he is not a Substantial Shareholder or an Associate of a Substantial Shareholder. Non-Executive Directors and Independent Directors are not eligible to participate in the ISOTeam PSP. Controlling Shareholders and their Associates are also not eligible to participate in the ISOTeam PSP.

The Company proposes to amend the Rules of the ISOTeam PSP to allow Executive Directors who are Substantial Shareholders or Associates of Substantial Shareholders, Controlling Shareholder(s) and their Associates, Non-Executive Directors, and Independent Directors to participate in the ISOTeam PSP.

LETTER TO SHAREHOLDERS

2.3. **Proposed Amendments to the Rules of the ISOTeam PSP**

The proposed amendments to the Rules of the ISOTeam PSP are set out in Annex A to this Appendix.

It is proposed that Rule 4.2 of the ISOTeam PSP be deleted in its entirety to remove the prohibition against Executive Directors who are Substantial Shareholders or an Associate of a Substantial Shareholder from being eligible to participate in the ISOTeam PSP.

It is proposed that Rule 4.3 of the ISOTeam PSP be amended to remove the prohibition against Non-Executive Directors, Independent Directors, the Controlling Shareholder(s) and/or their Associates from being eligible to participate in the ISOTeam PSP.

It is proposed that a new Rule 4.3 to be added to the ISOTeam PSP to provide that the participation of each Controlling Shareholder(s) or his Associate and the number and terms of Awards to be granted to each such person is required to be approved by independent Shareholders of the Company in a general meeting in separate resolutions for each such person, further provided that such person abstains from voting on the resolution in relation to his participation in the ISOTeam PSP and the grant of Awards to him.

The proposed amendments to the Rules of the ISOTeam PSP are subject to the Shareholders' approval at the 2024 AGM.

2.4. **Rationale for the participation by Executive Director(s) who are Substantial Shareholder(s) or Associate(s) of a Substantial Shareholder(s) in the Amended ISOTeam PSP**

The Company is proposing to extend the participation under the ISOTeam PSP to Employees and Directors who are an Executive Director who is a Substantial Shareholder or an Associate of a Substantial Shareholder. The extension of the ISOTeam PSP to include them ensures that they are equally entitled, with the other eligible Directors and Employees who are not Substantial Shareholder(s) or Associate(s) of Substantial Shareholder(s), to take part and benefit from this system of remuneration.

The Company is of the view that the Company should have a fair and equitable system to reward the eligible directors and employees of the Group who have made and continue to make significant contributions to the long-term growth of the Group notwithstanding that they are Executive Director(s) who are Substantial Shareholder(s) or Associate(s) of Substantial Shareholder(s). The success of the Group's business is dependent on the Group's ability to attract and retain good employees and the Company believes that the ISOTeam PSP will be an essential part of the Group's strategy for recruiting and retaining capable employees. A person who would otherwise be eligible should not be excluded from participating in the ISOTeam PSP (as the case may be) solely for the reason that he is an Executive Director who is a Substantial Shareholder or an Associate of a Substantial Shareholder.

Allowing Executive Directors who are Substantial Shareholders or Associates of Substantial Shareholders to be remunerated under the ISOTeam PSP would also conserve the Company's cash and allow the Company increased flexibility to use their existing cash for the Group's operations.

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2.5. **Rationale for the participation by Controlling Shareholder(s) and their Associates in the Amended ISOTeam PSP**

The Company is proposing to extend the participation under the ISOTeam PSP to Employees and Directors who are Controlling Shareholders and/or their Associates. The extension of the ISOTeam PSP to include them ensures that they are equally entitled, with the other eligible Directors and Employees who are not Controlling Shareholder(s) or their Associates, to take part and benefit from this system of remuneration.

The Company is of the view that the Company should have a fair and equitable system to reward the eligible directors and employees of the Group who have made and continue to make significant contributions to the long-term growth of the Group notwithstanding that they are Controlling Shareholder(s) or their Associates. A person who would otherwise be eligible should not be excluded from participating in the ISOTeam PSP (as the case may be) solely for the reason that he is a Controlling Shareholder or an Associate of a Controlling Shareholder.

Allowing Controlling Shareholders or Associates of Controlling Shareholders to be remunerated under the ISOTeam PSP would also conserve the Company's cash and allow the Company increased flexibility to use their existing cash for the Group's operations.

2.6. **Rationale for the participation by Non-Executive Directors and Independent Directors in the Amended ISOTeam PSP**

While the ISOTeam PSP caters principally to Employees and Executive Directors, it is recognised that the Non-Executive Directors and Independent Directors also make significant contributions to the Group through their close working relationship with the Group although the Non-Executive Directors and Independent Directors are not involved in the day-to-day running of the Group.

Non-Executive Directors and Independent Directors are persons from different professions and working backgrounds, bringing to the Company their wealth of knowledge, business expertise and contacts in the business community. They play an important role in helping the Company shape its business strategy by allowing the Company to draw on the backgrounds and diverse working experience of these individuals. It is crucial for the Company to attract, retain and incentivise the Non-Executive Directors and Independent Directors, and align their interests with that of the Group.

In order to minimise any possible conflicts of interest and so as not to compromise the objectivity of independent members of the Board who may, in the future, be selected to participate in the ISOTeam PSP, the Independent Directors would primarily continue to be remunerated for their services by way of directors' fees and Non-Executive Directors would continue to be reimbursed in accordance with the administrative and travel expenses incurred in the course of contributions to the Company. As the Rules of the ISOTeam PSP specify a limit as to the number of Shares to be comprised in Awards (as applicable) that may be granted to all participants, it is envisaged that the Awards that may be granted to the Non-Executive Directors and Independent Directors will not comprise (whether on an individual or collective basis) a significant portion of the Awards available under the ISOTeam PSP respectively. As such, the Directors are of the view that the participation by the Non-Executive Directors and Independent Directors in the ISOTeam PSP will not compromise their independence.

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It is not the intention of the Board that the Independent Directors be over-compensated under the ISOTeam PSP to the extent that their independence will be compromised. It is the intention of the Board and the Committee that any Award under the ISOTeam PSP to any Independent Directors be measured and balanced against considerations if such award could interfere or be reasonably perceived to interfere with the exercise of the Independent Director's independent business judgment. The Committee, when deciding on the selection of Independent Directors to participate in the ISOTeam PSP and the number of Shares to be offered (in accordance with the ISOTeam PSP), will take into consideration the nature and extent of their input, assistance and expertise rendered to the committees on which they sit and the impact thereof on the growth, success and development of the Company and the Group, as well as their involvement and commitment to the Board.

The Committee may, where it deems relevant, take into account other factors such as the economic conditions and the Company's performance. The Committee may also decide that no Awards shall be made in any financial year. Non-Executive Directors and Independent Directors will abstain from making any recommendation as a Director and abstain from voting as a member of the Company when the grant of Awards to him is being considered.

Taking the foregoing into consideration, the Board is of the view that the ISOTeam PSP will not compromise the objectivity and independence of Independent Directors.

2.7. Safeguards

Pursuant to Rule 852 of the Catalist Rules, specific approval of independent Shareholders is required for the participation of any individuals who are Controlling Shareholder(s) and/or their Associates in the amended ISOTeam PSP. Controlling Shareholder(s) who are eligible to participate in the ISOTeam PSP must abstain from voting on any resolution relating to the ISOTeam PSP.

When it is proposed that Awards be granted under the amended ISOTeam PSP to eligible Employees who are Controlling Shareholder(s) or Associates of Controlling Shareholder(s), in accordance with the requirements of the Catalist Rules, the actual number and terms of the Awards to be granted to each such person (as the case may be) are subject to the approval of independent Shareholders in a separate resolution.

Accordingly, the Company is of the view that there are safeguards against any abuse of the ISOTeam PSP resulting from the participation of Controlling Shareholder(s) or their Associates.

3. THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

3.1. Introduction

Shareholders had previously approved the share buyback mandate of the Company at the AGM of the Company held on 24 October 2023, to authorise the Directors to purchase or otherwise acquire Shares on the terms of the Share Buyback Mandate. The authority conferred by the Share Buyback Mandate will expire on 25 October 2024, being the date of the AGM.

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3.2. Authority and Limits of the Share Buyback Mandate

The Share Buyback Mandate, if renewed, will authorise the Directors, from time to time, to purchase Shares either through market purchases (the “**Market Purchases**”) or off-market purchases on an equal access scheme (the “**Off-Market Purchases**”) as defined in Section 76C of the Companies Act 1967 (the “**Companies Act**”) of up to a maximum of 10% of the total number of issued Shares as at the date of the AGM at which the Share Buyback Mandate is renewed, at such price up to but not exceeding the Maximum Price (as defined below). For the purpose of calculating the percentage of the total number of issued Shares above, any Shares which are held as treasury shares and subsidiary holdings will be disregarded.

For illustrative purposes only, based on the total number of issued Shares of 697,566,862¹ Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, and assuming that there is no change in such number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM, not more than 69,756,686 Shares (representing 10% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date of the AGM) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

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

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

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

For the above purposes,

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five days on which the SGX-ST is open for trading in securities (the “**Market Day**”), on which transactions in the Shares were recorded, before the day on which the Market Purchase is made or, as the case may be, the day of making of the offer for an Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Day period and the day on which the purchase is made; and

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

¹ 697,566,862 Shares include 3,225,000 Shares allotted and issued in connection with the grant of awards pursuant to the Company’s Performance Share Plan 2013, as announced on 2 January 2024 (the “**Grant of Awards**”).

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If renewed, the Share Buyback Mandate will take effect from the date of the AGM and continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier, unless prior thereto, the purchases or acquisitions of Shares are carried out to the full extent mandated or the Share Buyback Mandate is revoked or varied by the Company at a general meeting.

3.3. Manner of Purchase or Acquisition of Shares

Purchases or acquisitions of Shares may be made by way of, *inter alia*:

- (a) Market Purchases transacted on the SGX-ST through the SGX-ST trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) Off-Market Purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined under Section 76C of the Companies Act and as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Catalist Rules and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded, where applicable:
 - (aa) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
 - (bb) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

LETTER TO SHAREHOLDERS

In addition, the Catalist Rules provide that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (I) the terms and conditions of the offer;
- (II) the period and procedures for acceptance;
- (III) the reasons for the proposed purchase or acquisition of Shares;
- (IV) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code (as defined below) or other applicable take-over rules;
- (V) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on Catalist;
- (VI) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions; and
- (VII) whether the Shares purchased or acquired by the Company will be cancelled and/or kept as treasury shares.

3.4. **Rationale**

The Share Buyback Mandate will give the Directors the flexibility to purchase or acquire the Shares if and when circumstances permit. The Directors believe that share buyback provides the Company and its Directors with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner and helps to mitigate short-term volatility, offset the effects of short-term speculation and bolster Shareholder's confidence. It also allows the Directors to exercise greater control over the Company's share capital structure, dividend payout and cash reserves.

The purchases or acquisitions of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the earnings per Share ("**EPS**") of the Company, and will only be made when the Directors believe that such purchases or acquisitions would benefit the Company and its Shareholders.

Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will only be made when the Directors believe that such purchases or acquisitions would be made in circumstances which would not have a material adverse effect on the financial position of the Company.

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3.5. Source of Funds for Share Buyback

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

Under the Companies Act, the Company may purchase or acquire its Shares out of the Company's capital or profits so long as the Company is solvent.

The Company may use internal resources and/or external borrowings to finance the purchases or acquisition of its Shares pursuant to the Share Buyback Mandate.

The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected.

3.6. Status of Purchased Shares

3.6.1 Cancellation

Any Share which is purchased or acquired by the Company shall, unless held as treasury share to the extent permitted under the Companies Act, be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

3.6.2 Treasury Shares

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

(i) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares (the "**Treasury Shares Limit**").

(ii) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at general meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

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In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(iii) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (aa) sell the treasury shares (or any of them) for cash;
- (bb) 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;
- (cc) 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;
- (dd) cancel the treasury shares (or any of them); or
- (ee) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister for Finance may by order prescribe.

In respect of Shares that are purchased or acquired pursuant to the Share Buyback Mandate, the Directors intend for such Shares to be held as treasury shares.

As at the Latest Practicable Date, the Company has 1,195,659 treasury shares representing approximately 0.17% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). Where Shares purchased or acquired pursuant to the Share Buyback Mandate are held as treasury shares, the number of such Shares to be held as treasury shares, when aggregated with the existing treasury shares held, shall not, subject to the Companies Act, exceed the Treasury Shares Limit at any time.

3.7. **Financial Effects**

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

Under the Companies Act, the Company may purchase or acquire its Shares out of the Company's capital or profits so long as the Company is solvent. Where a purchase or an acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced. Where a purchase or an acquisition of Shares is made out of profits, such purchase or acquisition (including costs incidental to the purchase or acquisition) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

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

The financial effects presented below are based on the following assumptions:

(a) *Information as at the Latest Practicable Date*

As at the Latest Practicable Date, the Company has 697,566,862² issued Shares (excluding treasury shares and subsidiary holdings).

(b) *Illustrative Financial Effects*

Purely for illustrative purposes, on the basis of 697,566,862² Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, the purchase or acquisition by the Company of 10% of its Shares will result in the purchase or acquisition of 69,756,686 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 69,756,686 Shares at the Maximum Price of S\$0.062 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the last five 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 69,756,686 Shares is approximately S\$4.32 million.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 69,756,686 Shares at the Maximum Price of S\$0.071 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the last five 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 69,756,686 Shares is approximately S\$4.95 million.

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

- (c) the Share Buyback Mandate had been effective on 1 July 2023; and
- (d) such purchases or acquisitions of Shares are funded solely by internal resources,

² 697,566,862 Shares include 3,225,000 Shares allotted and issued in connection with the Grant of Awards.

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the financial effects of the share buyback on the audited consolidated financial statements of the Group for FY2024, are set out below:

(i) **Purchases made entirely out of capital or profits and held as treasury shares**

	Group			
	Market Purchase		Off-Market Purchase	
As at 30 June 2024	Before	After	Before	After
	S\$'000	S\$'000	S\$'000	S\$'000
Shareholders' Funds ⁽¹⁾	42,875	42,875	42,875	42,875
NTA	41,122	41,122	41,122	41,122
Current Assets	81,038	76,713	81,038	76,085
Current Liabilities	52,651	52,651	52,651	52,651
Working Capital	28,387	24,062	28,387	23,434
Net Debt/(Cash) ⁽²⁾	3.48	5.77	3.48	6.37
Number of Shares ('000)	697,567	627,810	697,567	627,810
Treasury Shares ('000)	1,196	70,952	1,196	70,952
Weighted Average Number of Shares for FY2024 ('000)	695,941	626,184	695,941	626,184
Financial Ratios				
NTA per Share (cents) ⁽³⁾	5.90	5.86	5.90	5.76
Gearing (times)	0.88	0.98	0.88	1.00
Current Ratio (times) ⁽⁴⁾	1.54	1.46	1.54	1.45
Basic EPS (cents)	0.93	1.04	0.93	1.04

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(ii) Purchases made entirely out of capital or profits and cancelled

	Group			
	Market Purchase		Off-Market Purchase	
	Before	After	Before	After
As at 30 June 2024	S\$'000	S\$'000	S\$'000	S\$'000
Shareholders' Funds ⁽¹⁾	42,875	38,550	42,875	37,922
NTA	41,122	36,797	41,122	36,169
Current Assets	81,038	76,713	81,038	76,085
Current Liabilities	52,651	52,651	52,651	52,651
Working Capital	28,387	24,062	28,387	23,434
Net Debt/(Cash) ⁽²⁾	3.48	5.77	3.48	6.37
Number of Shares ('000)	697,567	627,810	697,567	627,810
Weighted Average Number of Shares for FY2024 ('000)	695,941	626,184	695,941	626,184
Financial Ratios				
NTA per Share (cents) ⁽³⁾	5.90	5.86	5.90	5.76
Gearing (times)	0.88	0.98	0.88	1.00
Current Ratio (times) ⁽⁴⁾	1.54	1.46	1.54	1.45
Basic EPS (cents)	0.93	1.04	0.93	1.04

Notes:

- (1) Shareholders' funds include non-controlling interests.
- (2) Net debt/(cash) means long-term and short-term borrowings and lease liabilities divided by cash and cash equivalents.
- (3) NTA per Share equals to Shareholders' funds less intangible assets divided by the total number of issued Shares excluding treasury shares and subsidiary holdings, where applicable.
- (4) Current ratio means current assets divided by current liabilities.

Shareholders should note that the financial effects illustrated above are based on certain assumptions and purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited consolidated financial statements of the Group for FY2024 and is not necessarily representative of the future financial performance of the Group.

The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a purchase or an acquisition of Shares before execution. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares (excluding treasury shares 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). In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased as treasury shares.

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3.8. Take-over Implications under the Singapore Code on Take-overs and Mergers

Appendix 2 of the Singapore Code on Take-overs and Mergers (the “**Take-over Code**”) contains the Share Buy-back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

3.8.1 Obligation to Make a Take-over Offer

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

3.8.2 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 persons acting in concert with each other:

- (a) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any companies whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser, and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client’s equity share capital;

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- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual with his close relatives, his related trusts, any person who is accustomed to act in accordance with his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or companies for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

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

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

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a mandatory take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and persons acting in concert with them would increase 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, the voting rights of such Directors and persons acting in concert with them would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and persons acting in concert with them, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a mandatory take-over offer under Rule 14 of the Take-over Code 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 months. Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the proposed renewal of the Share Buyback Mandate.

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3.8.4 Concert Party Group

As at the Latest Practicable Date, the Executive Directors, namely David Ng Cheng Lian, Anthony Koh Thong Huat and Danny Foo Joon Lye (the “**Founders**”), their investment holding vehicle, ADD Investment Holding Pte. Ltd. (“**AIHPL**”), Foo Yong Wen and Vivian Foo Yong Hui, being the children of Danny Foo Joon Lye, and Ng Keng Ee, being the child of David Ng Cheng Lian (collectively the “**Founders’ Children**”), hold an aggregate of 274,000,812 Shares representing approximately 39.28% of the total issued voting Shares of the Company. The Founders, AIHPL, Founders’ Children and persons acting in concert with any of them (collectively, the “**Concert Party Group**”) are presumed to be persons acting in concert in relation to the Shares under the Take-over Code. In the event that the Company, pursuant to the Share Buyback Mandate, should purchase or acquire up to 10% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings), the voting rights of the Concert Party Group in the Company could potentially increase from 39.28% to 43.64% in any period of six months as set out below. Under the Take-over Code, the Concert Party Group would therefore incur a mandatory take-over obligation for the issued Shares not already owned by them.

Shareholder	Number of Shares	Approximate % of total voting Shares before share buyback	Approximate % of total voting Shares after share buyback
AIHPL	140,908,812	20.20	22.44
David Ng Cheng Lian ⁽¹⁾	15,364,000	2.20	2.45
Anthony Koh Thong Huat ⁽¹⁾	15,364,000	2.20	2.45
Danny Foo Joon Lye ⁽¹⁾	15,364,000	2.20	2.45
Ng Keng Ee ⁽²⁾	33,000,000	4.73	5.26
Foo Yong Wen ⁽³⁾	21,000,000	3.01	3.34
Vivian Foo Yong Hui ⁽³⁾	33,000,000	4.73	5.26
Total	274,000,812	39.28	43.64

Notes:

- (1) Excludes deemed interest in the Shares held by AIHPL.
- (2) Ng Keng Ee is the child of David Ng Cheng Lian.
- (3) Foo Yong Wen and Vivian Foo Yong Hui are the children of Danny Foo Joon Lye.

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3.8.5 Securities Industry Council's Waiver

Under Appendix 2 of the Take-over Code, the Concert Party Group will be exempted from the requirement under Rule 14 of the Take-over Code to make a mandatory take-over offer for the issued Shares not already owned by them if their voting rights in the Company increase by more than 1% in any period of six months, as a result of the Company purchasing or acquiring its Shares pursuant to the Share Buyback Mandate, subject to the following conditions:

- (a) this Appendix contains advice to the effect that by voting for the resolution authorising the proposed renewal of the Share Buyback Mandate, Shareholders are waiving their rights to a general offer at the required price from the Concert Party Group, who, as a result of the Company buying back its Shares, would increase their voting rights to 30% or more, or, if they together hold between 30% and 50% of the Company's voting rights, would increase their voting rights by more than 1% in any period of six months; and the names of the members of the Concert Party Group and their voting rights at the time of the resolution and after the proposed share buyback are disclosed in this Appendix;
- (b) the resolution authorising the proposed renewal of the Share Buyback Mandate is approved by a majority of those Shareholders present and voting at the AGM on a poll who could not become obliged to make an offer as a result of the Company purchasing or acquiring its Shares pursuant to the Share Buyback Mandate;
- (c) the Concert Party Group to abstain from voting for and/or recommending Shareholders to vote in favour of the resolution authorising the proposed renewal of the Share Buyback Mandate;
- (d) within seven days after the passing of the resolution authorising the proposed renewal of the Share Buyback Mandate, each of the Founders to submit to the Securities Industry Council ("**SIC**") a duly signed form as prescribed by the SIC; and
- (e) the Concert Party Group has not acquired and will not acquire any Shares between the date on which they know that the announcement of the Share Buyback Mandate is imminent and the earlier of:
 - (i) the date on which the authority of the Share Buyback Mandate expires; and
 - (ii) the date on which the Company announces it has bought back such number of Shares as authorised by Shareholders at the latest general meeting or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the proposed share buyback, would cause their aggregate voting rights in the Company to increase to 30% or more; and

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- (f) the Concert Party Group, together holding between 30% and 50% of the Company's voting rights, has not acquired and will not acquire any Shares between the date on which they know that the announcement of the Share Buyback Mandate is imminent and the earlier of:
- (i) the date on which the authority of the Share Buyback Mandate expires; and
 - (ii) the date on which the Company announces it has bought back such number of Shares as authorised by Shareholders at the latest general meeting or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the proposed share buyback, would cause their aggregate voting rights in the Company to increase by more than 1% in the preceding six months.

It follows that where the aggregate voting rights held by the Concert Party Group increase by more than 1% solely as a result of the Company purchasing or acquiring its Shares and none of them has acquired any Shares during the relevant period defined above, then the Concert Party Group would be eligible for SIC's exemption from the requirement to make a general offer under Rule 14 of the Take-over Code, or where already exempted, would continue to be exempted.

Shareholders should therefore note that by voting for the proposed renewal of the Share Buyback Mandate, they are waiving their rights to a mandatory take-over offer by the Concert Party Group under the circumstances set out above. Such take-over offer, if required to be made and had not been exempted by the SIC, would have to be made in cash or be accompanied by a cash alternative at the Required Price (as defined below).

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

"Required Price" means in relation to the offer required to be made under the provisions of Rule 14.1 of the Take-over Code, the highest of the price paid by the offerors and/or any person(s) acting in concert with them for the Shares (i) during the offer period and within the preceding six months, (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within six months of the offer and during the offer period, or (iii) acquire through the exercise of rights to subscribe for, and options in respect of, securities which carry voting rights within six months of the offer or during the offer period; or at such price as determined by SIC under Rule 14.3 of the Take-over Code.

Other than as disclosed above, the Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory take-over offer in the event the Directors exercise the power to purchase or acquire Shares pursuant to the Share Buyback Mandate.

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3.9. Tax Implications

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

3.10. Catalist Rules

- 3.10.1 As at the Latest Practicable Date, 412,029,430 Shares representing 59.07% of the total number of issued Shares (excluding treasury shares) are held in the hands of the public. For illustrative purposes only, assuming the Company exercises the Share Buyback Mandate in full and purchases 10% of the total number of issued Shares through Market Purchases from the public, the public float would be reduced to approximately 54.52%.

Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Buyback Mandate without adversely affecting the listing status of the Shares on Catalist, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to adversely affect orderly trading. The Company does not have any individual shareholding limit or foreign shareholding limit.

- 3.10.2 Under the Catalist Rules, a listed company may only purchase or acquire shares by way of a market acquisition at a price which is not more than 5% above the average closing market price. The term average closing market price is defined as the average of the closing market prices of the shares over the last five Market Days on which transactions in the shares were recorded, before the day on which purchases are made, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Day period and the day on which the purchases are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in paragraph 3.2 of this Appendix, conforms to this restriction.
- 3.10.3 While the Catalist Rules do not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time, because the listed company would be regarded as an “insider” in relation to any purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after any matter or development of a trade or price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such trade or price-sensitive information has been publicly announced. Further, in line with the best practices on dealing with securities stipulated in the Catalist Rules, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period commencing one month immediately preceding the announcement of the Company’s half year results or the full year results.

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3.11. Reporting Requirements

3.11.1 Notification to Accounting and Corporate Regulatory Authority of Singapore

Within 30 days of the passing of the Shareholders' resolution to approve the proposed renewal of the Share Buyback Mandate, the Company will lodge a copy of such resolution with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**").

The Company will also lodge with ACRA a notice of purchase or acquisition of Shares within 30 days of such purchase or acquisition. Such notification shall include the date of purchase or acquisition, the number of Shares purchased or acquired, the number of Shares cancelled or held as treasury shares, the Company's issued share capital before and after the purchase or acquisition, the amount of consideration paid for the purchase or acquisition and whether such consideration is paid out of capital or profits of the Company, and such other information as may be prescribed from time to time.

In addition, within 30 days of the cancellation or disposal of treasury shares, the Company will lodge with ACRA a notice of cancellation or disposal of treasury shares with such information as may be prescribed from time to time.

3.11.2 Notification to the SGX-ST

The Catalist Rules specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement shall include the number of Shares authorised for purchase or acquisition, the date of purchase or acquisition, the number of Shares purchased or acquired, the purchase price per Share or (in the case of Market Purchases) the purchase price per Share or the highest price and lowest price per Share, the total consideration paid for the Shares, the number of issued Shares after purchase or acquisition and such other information as may be prescribed from time to time.

In addition, under the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include the date of usage, the purpose of usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued Shares before and after the usage, the value of the treasury shares comprised in the usage and such other information as may be prescribed from time to time.

3.12. Details of the Shares Bought by the Company in the Previous 12 Months

The Company has not purchased any Shares within the past 12 months preceding the Latest Practicable Date.

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4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Register of Directors and Register of Substantial Shareholders, as at the Latest Practicable Date, the shareholdings of the Directors, and Substantial Shareholders in the Shares are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
<u>Directors</u>				
David Ng Cheng Lian ^{(2),(3)}	–	–	156,272,812	22.4
Anthony Koh Thong Huat ^{(2),(3)}	–	–	156,272,812	22.4
Danny Foo Joon Lye ^{(2),(3)}	–	–	156,272,812	22.4
Ryota Fukuda	–	–	–	–
Tan Eng Ann	–	–	–	–
Teo Ho Pin	–	–	–	–
Jeremiah Huang WeiQuan	–	–	–	–
<u>Substantial Shareholders (other than Directors)</u>				
ADD Investment Holding Pte. Ltd. ⁽⁴⁾	–	–	140,908,812	20.2
Taisei Oncho Co., Ltd ⁽⁵⁾	–	–	62,500,000	8.96

Notes:

- (1) Based on the total issued and paid-up share capital of the Company of 697,566,862 Shares (excluding Treasury Shares and Subsidiary Holdings) as at the Latest Practicable Date.
- (2) David Ng Cheng Lian, Anthony Koh Thong Huat and Danny Foo Joon Lye hold the total issued share capital of ADD Investment Holding Pte. Ltd. in equal proportion. Each of them is therefore deemed to be interested in all the shares in the capital of the Company held by ADD Investment Holding Pte. Ltd. under Section 7 of the Companies Act 1967.
- (3) David Ng Cheng Lian, Anthony Koh Thong Huat and Danny Foo Joon Lye are each deemed to be interested in 15,364,000 shares in the capital of the Company held by Citibank Nominees Singapore Pte Ltd as their nominee.
- (4) ADD Investment Holding Pte. Ltd. is deemed to be interested in 140,908,812 shares in the capital of the Company held by Citibank Nominees Singapore Pte. Ltd. as its nominee.
- (5) Taisei Oncho Co., Ltd is deemed to be interested in 62,500,000 shares in the capital of the Company held by Citibank Nominees Singapore Pte Ltd as the nominee of its custodian.

Jeremiah Huang WeiQuan, Independent Director of the Company, is a director of Icon Law LLC (the Singapore member of the ZICO Law Network), the legal advisers to the Company in connection with the proposed amendments to the Rules of the ISOTeam PSP.

Save as disclosed, none of the Directors or their Associates or, as far as the Company is aware, Substantial Shareholders or their Associates, has any interest, direct or indirect, in the Proposed Transactions, other than through their respective shareholding interest (if any) in the Company.

LETTER TO SHAREHOLDERS

5. DIRECTORS' RECOMMENDATIONS

5.1. Proposed Amendments to the Rules of the ISOTeam PSP

All the Directors will be eligible to participate in, and are therefore interested in the amended ISOTeam PSP. Accordingly, all of the Directors have abstained from making any recommendations as to how Shareholders should vote in respect of Ordinary Resolution 9 as set out in the Notice of AGM.

5.2. Proposed Renewal of the Share Buy Back Mandate

David Ng Cheng Lian, Anthony Koh Thong Huat and Danny Foo Joon Lye will abstain from voting on the resolution relating to the proposed renewal of the Share Buy Back Mandate and have therefore refrained from making any recommendation to Shareholders on Ordinary Resolution 8 set out in the Notice of AGM. The rest of the Directors, having fully considered the rationale set out under paragraph 3.4 of this Appendix for the proposed renewal of the Share Buyback Mandate, are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 8 as set out in the Notice of AGM.

6. ABSTENTION FROM VOTING

6.1. Proposed Amendments to the Rules of the ISOTeam PSP

Rule 858 of the Catalist Rules states that shareholders who are eligible to participate in a plan must abstain from voting on any resolution relating to the plan (other than a resolution relating to the participation of, or grant of options to, directors and employees of the issuer's parent company and its subsidiaries).

Additionally, Rule 859 of the Catalist Rules states that the following categories of persons must abstain from voting on any resolution relating to the participation of, or grant of options to, directors and employees of the parent company and its subsidiaries: (1) the parent company (and its associates); and (2) directors and employees of the parent company (and its subsidiaries), who are also shareholders and are eligible to participate in the plan.

Accordingly, Shareholders who are eligible to participate in the ISOTeam PSP, including the Directors (collectively, the "**Eligible Shareholders**") shall abstain from voting in respect of Ordinary Resolution 9 as set out in the Notice of AGM, and should decline appointment as proxies for voting at the 2024 AGM in respect of the proposed amendments to the Rules of the ISOTeam PSP unless specific instructions have been given in the proxy form on how the votes are to be cast in respect of such ordinary resolution. The Company shall disregard any votes cast by any Eligible Shareholder in respect of such ordinary resolution.

LETTER TO SHAREHOLDERS

6.2. Proposed Renewal of the Share Buy Back Mandate

David Ng Cheng Lian, Anthony Koh Thong Huat, Danny Foo Joon Lye and the persons acting in concert with them will abstain from voting, whether by representative or proxy, on Ordinary Resolution 8 set out in the Notice of AGM. They will also not accept nominations as proxies or otherwise for voting in respect of the aforesaid ordinary resolution at the AGM unless specific instruction has been given in the proxy form as to the manner in which votes are to be cast in respect of such ordinary resolution.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Transactions to be tabled at the 2024 AGM, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix 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 Appendix in its proper form and context.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 8 Changi North Street 1, ISOTeam Building, Singapore 498829 during normal office hours from the date of this Appendix up to the date of the 2024 AGM:

- (a) the annual report of the Company for FY2024;
- (b) the Constitution of the Company; and
- (c) the current rules of the ISOTeam PSP.

Yours faithfully

For and on behalf of the Board of Directors of
ISOTEAM LTD.

Anthony Koh Thong Huat
Executive Director and Chief Executive Officer

ANNEX A – THE PROPOSED AMENDMENTS TO THE RULES OF THE ISOTEAM PERFORMANCE SHARE PLAN

1. NAME OF THE PERFORMANCE SHARE PLAN

This Performance Share Plan shall be called the ISOTeam Performance Share Plan (“ISOTeam PSP”).

2. DEFINITIONS

2.1. In the ISOTeam PSP, the following definitions apply throughout unless the context otherwise requires:

“10% Shareholder”	:	A person who has an interest or interests in one or more voting shares in the Company and the total votes attached to that share, or those shares, is not less than 10% of the total votes attached to all the voting shares in the Company
“Adoption Date”	:	The date on which the ISOTeam PSP is adopted by resolution of the Shareholders of the Company
“Associate”	:	Has the meaning ascribed to it under the Catalist Rules
“Auditors”	:	The auditors of the Company for the time being
“Award”	:	A contingent award of Shares granted under ISOTeam PSP
“Awards Committee”	:	The committee comprising the directors of the Company who are members of the Remuneration Committee of the Company for the time being, which is duly authorised and appointed by the Board to administer the ISOTeam PSP
“Award Letter”	:	A letter in such form as the Awards Committee shall approve, confirming an Award granted to a Participant by the Awards Committee
“Board” or “Board of Directors”	:	The board of directors of the Company
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	Any or all of the rules in the Listing Manual of the SGX-ST Section B: Rules of Catalist, as may be amended, modified, or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited

ANNEX A – THE PROPOSED AMENDMENTS TO THE RULES OF THE ISOTEAM PERFORMANCE SHARE PLAN

“Code” or “Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“Company”	:	ISOTeam Ltd.
“Companies Act”	:	Companies Act 1967 of Singapore, as may be amended, modified, or supplemented from time to time
“Constitution”	:	The constitution of the Company as amended or modified from time to time
“control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	:	A person who holds directly or indirectly 15.0% or more of the number of all voting shares in a company, or in fact exercises control over a company, unless otherwise determined
“Date of Grant”	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 5
“Director”	:	A person holding office as a director of the Company for the time being
“EPS”	:	Earnings per Share
“Employee”	:	An employee of the Group selected by the Awards Committee to participate in the ISOTeam PSP
“Executive Director”	:	A director of the Company for the time being, holding office in an executive capacity in the Company
“Group”	:	The Company and its Subsidiaries
“Independent Directors”	:	A director of the Company for the time being who has no relationship with the Company, its related corporations, its 10% Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgment with a view to the best interests of the Company
“Listing Manual”	:	The listing manual of the SGX-ST, as may be amended, varied or supplemented from time to time

ANNEX A – THE PROPOSED AMENDMENTS TO THE RULES OF THE ISOTEAM PERFORMANCE SHARE PLAN

“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“New Shares”	:	The new Shares which may be allotted and issued from time to time pursuant to the release of Awards granted under the ISOTeam PSP
“Non-Executive Directors”	:	A director of the Company for the time being who is not an Executive Director including Independent Directors
“Participant”	:	The holder of an Award
“Performance Conditions”	:	In relation to a Performance-related Award, the conditions specified on the Date of Grant in relation to that Award
“Performance-related Award”	:	An Award in relation to which a Performance Condition is specified
“Performance Period”	:	In relation to a Performance-related Award, a period, the duration of which is to be determined by the Awards Committee on the Date of Grant, during which the Performance Condition is to be satisfied
“Record Date”	:	The date as at the close of business (or such other time as may have been prescribed by the Company) on which Shareholders must be registered in order to participate in the dividends, rights, allotments or other distributions (as the case may be)
“Release”	:	In relation to an Award, the release at the end of the Vesting Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and “Released” shall be construed accordingly
“Released Award”	:	An Award in respect of which the Vesting Period relating to that Award has ended and which has been released in accordance with Rule 7
“Rules”	:	The rules of the ISOTeam PSP, as the same may be amended from time to time

**ANNEX A – THE PROPOSED AMENDMENTS TO THE RULES OF
THE ISOTEAM PERFORMANCE SHARE PLAN**

“Securities Account”	:	The securities account maintained by a Depositor with CDP
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the persons to whose direct Securities Accounts maintained with CDP are credited with Shares. Any reference to Shares held by Shareholders shall include Shares standing to the credit of the respective Shareholders’ Securities Accounts
“Shares”	:	Ordinary shares in the capital of the Company
“Subsidiary”	:	Has the meaning ascribed to it in Section 5 of the Companies Act
“Trading Day”	:	A day on which the Shares are traded on the SGX-ST
“Vesting”	:	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 “Vest” and “Vested” shall be construed accordingly
“Vesting Date”	:	In relation to Shares which are the subject of a Released Award, the date (as determined by the Awards Committee and notified to the relevant Participant) on which those Shares have vested pursuant to Rule 7
“Vesting Period”	:	In relation to an Award, a period or periods, the duration of which is to be determined by the Awards Committee at the Date of Grant
<u>Currencies Units and Others</u>		
“S\$” or “\$” and “cents”	:	Singapore dollar and cent respectively
“%” or “per cent.”	:	Per centum or percentage

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- 2.2. The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act 2001 or any statutory modification thereof, as the case may be.
- 2.3. Words importing the singular number shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa.
- 2.4. Any reference to a time of a day in the ISOTeam PSP is a reference to Singapore time.
- 2.5. Any reference in the ISOTeam PSP to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act and used in the ISOTeam PSP shall have the meaning assigned to it under the Companies Act.

3. OBJECTIVES OF THE ISOTEAM PSP

- 3.1. The ISOTeam PSP is a performance incentive scheme which will form an integral part of the Group’s incentive compensation program.
- 3.2. The objectives of the ISOTeam PSP are as follows:
 - (a) provide an opportunity for Participants to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organisational commitment, dedication and loyalty of Participants towards the Group;
 - (b) motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Group;
 - (c) give recognition to contributions made or to be made by Participants by introducing a variable component into their remuneration package; and
 - (d) make employee remuneration sufficiently competitive to recruit new Participants and/or to retain existing Participants whose contributions are important to the long-term growth and profitability of the Group.

4. ELIGIBILITY OF PARTICIPANTS

- 4.1. Any person shall be eligible to participate in the ISOTeam PSP at the absolute discretion of the Awards Committee if at the Date of Grant such person:
 - (a) has been confirmed in his/her employment with the Group;
 - (b) has attained the age of 18 years; and
 - (c) is not an undischarged bankrupt and has not entered into a composition with his/her creditors.

ANNEX A – THE PROPOSED AMENDMENTS TO THE RULES OF THE ISOTEAM PERFORMANCE SHARE PLAN

- ~~4.2. An Executive Director is only eligible to participate in the ISOTeam PSP if he is not a Substantial Shareholder or an Associate of a Substantial Shareholder.~~
- ~~4.3. Non-Executive Directors and Independent Directors will not be eligible to participate in the ISOTeam PSP. Controlling Shareholders and their Associates will also not be eligible to participate in the ISOTeam PSP.~~
- 4.2. Persons who are Controlling Shareholder(s) or their Associates may participate in the ISOTeam PSP provided that (a) the participation of each of them; and (b) the actual number and terms of Awards to be granted to each of them, have been approved by independent Shareholders of the Company in general meeting in separate resolutions for each such person.

Each of such Controlling Shareholder(s) or their Associates shall abstain from voting on the resolution in relation to his participation in the ISOTeam PSP and the grant of Awards to him.

- 4.4. The eligibility of Participants to participate in the ISOTeam PSP, and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the ISOTeam PSP and the Vesting Period shall be determined at the absolute discretion of the Awards Committee, which shall take into account:
- (a) the financial performance of the Group; and
 - (b) in respect of Participant being an Employee, criteria such as his rank, job performance, potential for future development and his contribution to the success and development of the Group; and

in addition, for Performance-related Awards, the extent of effort required to achieve the Performance Condition within the Performance Period shall also be considered.

- 4.5. Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the ISOTeam PSP may be amended from time to time at the absolute discretion of the Awards Committee, which would be exercised judiciously.

5. GRANT OF AWARDS

- 5.1. Subject as provided in Rule 8, the Awards Committee may grant Awards to Employees as the Awards Committee may select in its absolute discretion, at any time during the period when the ISOTeam PSP is in force.
- 5.2. The Awards Committee shall decide, in its absolute discretion, in relation to each Award:
- (a) the Participant;
 - (b) the Date of Grant;
 - (c) the number of Shares which are the subject of the Award;
 - (d) the prescribed Vesting Period(s);

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- (e) the extent to which Shares which are the subject of that Award shall be Released at the end of each prescribed Vesting Period; and
- (f) in the case of Performance-related Award, the Performance Period and the Performance Condition,

PROVIDED THAT subject to Rules 5.3 and 6, the Vesting Period(s) shall not be of shorter duration than the minimum vesting periods prescribed under the SGX-ST Listing Manual in respect of employee share options.

5.3. The Awards Committee may amend or waive the Vesting Period(s) and, in the case of a Performance-related Award, the Performance Period and/or the Performance Condition in respect of any Award:

- (a) in the event of a general offer (whether conditional or unconditional) being made for all or any part of the Shares, or a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the Court under the Companies Act, or a proposal to liquidate or sell all or substantially all of the assets of the Company; or
- (b) in the case of a Performance-related Award, if anything happens which causes the Awards Committee to conclude that:
 - (i) a changed Performance Condition would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (ii) the Performance Condition should be waived as the Participant has achieved a level of performance that the Awards Committee considers satisfactory notwithstanding that the Performance Condition may not have been fulfilled,

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

5.4. As soon as reasonably practicable after making an Award, the Awards Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:

- (a) the Date of Grant;
- (b) the number of Shares which are the subject of the Award;
- (c) the prescribed Vesting Period(s);
- (d) the extent to which Shares which are the subject of that Award shall be Released at the end of each prescribed Vesting Period; and
- (e) in the case of Performance-related Award, the Performance Period and the Performance Condition.

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

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- 5.6. An Award or Released Award shall be personal to the Participant to whom it is granted and no Award or Released Award or any rights thereunder shall be transferred, charged, assigned, pledged, mortgaged, encumbered or otherwise disposed of, in whole or in part, and if a 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, that Award or Released Award shall immediately lapse.

6. EVENTS PRIOR TO THE VESTING DATE

- 6.1. An Award, to the extent not yet Released, shall forthwith become void and cease to have effect on the occurrence of any of the following events (and in such an event, the Participant shall have no claim whatsoever against the Company, its Directors or employees):

- (a) a Participant, being an Employee, ceasing for any reason whatsoever, to be in the employment of the Company and/or the relevant Subsidiary or in the event of a company by which the Employee is employed ceases to be a company in the Group;
- (b) upon the bankruptcy of the Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of or interest in such Award;
- (c) ill health, injury, disability or death of a Participant;
- (d) a Participant commits any breach of any of the terms of his Award;
- (e) misconduct on the part of a Participant as determined by the Company in its discretion;
- (f) a take-over, winding-up or reconstruction of the Company; and/or
- (g) any other event approved by the Awards Committee.

For the purpose of Rule 6.1(a) above, an Employee shall be deemed to have ceased to be in the employment of the Company or the Subsidiary (as the case may be) on the date on which he gives notice of termination of employment, unless prior to the date on which termination takes effect, the Employee has (with the consent of the Company or the Subsidiary (as the case may be)) withdrawn such notice.

- 6.2. The Awards Committee may in its absolute discretion and on such terms and conditions as it deems fit, preserve all or any part of any Award notwithstanding the provisions of any other Rules including Rules 6.1 and 7.1. Further to such exercise of discretion, the Awards shall be deemed not to have become void nor cease to have effect in accordance with the relevant provisions in Rule 6.1.
- 6.3. Without prejudice to the provisions of Rule 5.3 and 7.1, to the extent of an Award yet to be Released, if any of the following occurs:
- (a) a general offer (whether conditional or unconditional) being made for all or any part of the Shares;

ANNEX A – THE PROPOSED AMENDMENTS TO THE RULES OF THE ISOTEAM PERFORMANCE SHARE PLAN

- (b) a scheme of an arrangement or compromise between the Company and its Shareholders being sanctioned by the Court under the Companies Act;
- (c) an order for the compulsory winding-up of the Company is made; or
- (d) a resolution for a voluntary winding-up (other than for amalgamation or reconstruction of the Company being made,

the Awards Committee may consider, at its discretion, whether or not to Release such Award. If the Awards Committee decides to Release such Award, then in determining the number of Shares to be Vested in respect of such Award, the Awards Committee will have regard to the proportion of the Vesting Period(s) which has elapsed and the extent to which the Performance Condition (if any) has been satisfied. Where such Award is Released, the Awards Committee will, as soon as practicable after such Release, 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.

7. RELEASE OF AWARDS

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

If the Awards Committee determines in its sole discretion that the Performance Condition has not been satisfied or if the relevant Participant (being an Employee) has not continued to be an Employee from the Date of Grant up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rule 7 (save for this Rule 7.1(a)) shall be of no effect.

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

Subject to:

- (i) (in relation to a Performance-related Award) the Awards Committee having determined that the Performance Condition has been satisfied;
- (ii) the relevant Participant (being an Employee) having continued to be an Employee from the Date of Grant up to the end of the relevant Vesting Period;
- (iii) the Awards Committee being of the opinion that the job performance of the relevant Participants has been satisfactory;

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- (iv) such consents (including any approvals required by the SGX-ST) as may be necessary;
- (v) compliance with the terms of the Award, the ISOTeam PSP, the Constitution of the Company;
- (vi) where Shares are to be allotted or transferred on the release of an Award, the Participant having a securities account with CDP and compliance with the applicable requirements of CDP; and
- (vii) where New Shares are to be allotted on the release of an Award, the Company being satisfied that the Shares which are the subject of the Released Award will be listed for quotation on the SGX-ST, upon the expiry of each Vesting Period in relation to an Award,

the Company shall Release to the relevant Participant the Shares to which his Award relates on the Vesting Date.

- (b) Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Market Date falling as soon as practicable after the Release of such Award in accordance with Rule 7.1(a) and, on the Vesting Date, the Awards Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.
- (c) Where New Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable, apply to the SGX-ST for the listing and quotation of such Shares, including obtaining a listing and quotation notice for the same.

7.2. Shares which are allotted or transferred on the Release of an Award to a Participant shall be registered 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.

7.3. New Shares allotted and issued, and existing Shares procured by the Company for transfer, upon the Release of an Award shall:

- (a) be subject to all the provisions of the Constitution of the Company; and
- (b) rank for any dividend, right, allotment or other distribution on the Record Date of which is on or after the relevant Vesting Date and (subject as aforesaid) will rank *pari passu* in all respects with the Shares then existing.

8. LIMITATION ON THE SIZE OF THE ISOTEAM PSP

The aggregate number of Shares which may be issued and/or transferred pursuant to Awards granted under the ISOTeam PSP on any date, when added to the number of Shares issued and issuable and/or transferred and transferrable in respect of (a) all Awards granted under the ISOTeam PSP, and (b) all options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed 15.0% of the number of all issued Shares (excluding treasury shares, as defined in the Companies Act) on the day preceding that date.

ANNEX A – THE PROPOSED AMENDMENTS TO THE RULES OF THE ISOTEAM PERFORMANCE SHARE PLAN

9. ADJUSTMENT EVENTS

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

(a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested and the rights attached thereto; and/or

(b) the class and/or number of Shares in respect of which Awards may be granted under the ISOTeam PSP,

may, at the option of the Awards Committee, be adjusted in such manner as the Awards Committee may determine to be appropriate, provided that any such adjustment shall be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

9.2. Unless the Awards Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares 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.

9.3. Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

9.4. Upon any adjustment being 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 thereafter to be issued or transferred on the Vesting of an Award and the date on which such adjustment shall take effect.

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

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10. ADMINISTRATION OF THE ISOTEAM PSP

- 10.1. The ISOTeam PSP shall be administered by the Awards Committee in its absolute discretion, with such powers and duties as are conferred on it by the Board, provided that no member of the Awards Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him or held by him.
- 10.2. The Awards Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the ISOTeam PSP) for the implementation and administration of the ISOTeam PSP, to give effect to the provisions of the ISOTeam PSP 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.
- 10.3. The Company shall bear the costs of establishing and administering the ISOTeam PSP.

11. NOTICES

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

12. MODIFICATIONS TO THE ISOTEAM PSP

- 12.1. Any or all the provisions of the ISOTeam PSP may be modified and/or altered at any time and from time to time by resolution of the Board, except that:
- (a) no modification or alteration shall be made which would adversely affect the rights attached to any Award granted prior to such modification or alteration except with the prior consent in writing of such number of Participants who, if their Awards were Released to them upon the expiry of all the Vesting Periods applicable to their Awards, would be entitled to not less than 75.0% of the aggregate number of the Shares which would fall to be vested upon the Release of all outstanding Awards upon the expiry of all the Vesting Periods applicable to all such outstanding Awards;

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- (b) no modification or alteration to the definitions of “Associate”, “Awards Committee”, “Controlling Shareholders”, “Employee”, “Participant”, “Performance Period” and “Vesting Period” and the provisions of Rules 4, 5, 7, 8, 9, 10 and this Rule 12 shall be made to the advantage of Participants except with the prior approval of the Shareholders of the Company in a general meeting; and
 - (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.
- 12.2. Notwithstanding anything to the contrary contained in Rule 12.1, the Board may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the ISOTeam PSP in any way to the extent necessary to cause the ISOTeam PSP to comply with any statutory provisions or body (including the SGX-ST).
- 12.3. Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

13. TERMS OF EMPLOYMENT UNAFFECTED

Notwithstanding the provisions of any other Rule:

- (a) the ISOTeam PSP or any Award shall not form part of any contract of employment between the Company and/or any Subsidiary and/or any Employee and the rights and obligations of any individual under the terms of the office or employment with any such company shall not be affected by his participation in the ISOTeam PSP or any right which he may have to participate in it or any Award which he may be granted and the ISOTeam PSP or any Award shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever (whether lawful or not); and
- (b) the ISOTeam PSP shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against the Company and/or any Subsidiary directly or indirectly or give rise to any cause of action at law or in equity against any such company, its directors or employees.

14. DURATION OF THE ISOTEAM PSP

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

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15. ANNUAL REPORT DISCLOSURE

The Company shall make the following disclosures in its annual report to Shareholders for the duration of the ISOTeam PSP:

- (a) the names of the members of the Awards Committee;
- (b) the information as required in the table below for the following Participants:
 - (i) Participants who are Directors;
 - (ii) Participants who are Controlling Shareholders and their Associates; and
 - (iii) Participants, other than those in (i) and (ii) above, who receive Awards comprising 5% or more of the aggregate of the total number of Shares available under the ISOTeam PSP:

Name of Participant	Awards granted during financial year under review (including terms)	Aggregate Awards granted since commencement of ISOTeam PSP to end of financial year under review	Aggregate Awards released since commencement of ISOTeam PSP to end of financial year under review	Aggregate Awards not yet released as at end of financial year under review

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

If any of the disclosures above in the foregoing of this Rule 15 is not applicable, an appropriate negative statement will be included in the annual report.

16. ABSTENTION FROM VOTING

Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the ISOTeam PSP. Participants may act as proxies of Shareholders of the Company in respect of the votes of such Shareholders in relation to any such resolution provided that specific instructions have been given in the proxy forms on how the votes are to be cast in respect of the resolution.

17. TAXES, COSTS AND EXPENSES OF THE ISOTEAM PSP

- 17.1. Notwithstanding anything herein, each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment 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 CDP Depository Agent.

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17.2. The Participants shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or Vesting of the relevant Award. All taxes (including income tax) arising from the grant or Vesting of any Award under the ISOTeam PSP shall be borne by that Participant. The Company shall not be responsible for any failure by the Participant to obtain any such consent or for any tax or other liability to which the Participant may become subject as a result of his participation in the ISOTeam PSP.

18. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Company, its Directors or employees or the Awards Committee shall not under any circumstances be held liable for any costs, losses, expenses, liabilities or damages whatsoever and howsoever arising in respect of any matter under or in connection with the ISOTeam PSP, including but not limited to any delay or failure to issue, or procure the transfer of, the Shares or to apply for or procure the listing of new Shares on the SGX-ST in accordance with Rule 7.1(c) (and any other stock exchange on which the Shares are quoted or listed).

19. DISPUTES

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

20. GOVERNING LAW

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

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