



BANYAN TREE

# Banyan Tree Holdings Limited

(Incorporated in the Republic of Singapore)

(Company Registration No. 200003108H)

**LETTER TO SHAREHOLDERS**

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**Directors:**

|                        |  |
|------------------------|--|
| Ho KwonPing            | (Executive Chairman)                         |
| Ariel P Vera           | (Non-Independent and Non-Executive Director) |
| Chia Chee Ming Timothy | (Lead Independent Director)                  |
| Fang Ai Lian           | (Independent Director)                       |
| Elizabeth Sam          | (Independent Director)                       |
| Chan Heng Wing         | (Independent Director)                       |
| Tham Kui Seng          | (Independent Director)                       |
| Lim Tse Ghow Olivier   | (Independent Director)                       |

**Registered Office:**

211 Upper Bukit Timah Road  
Singapore 588182

**To: The Shareholders of  
Banyan Tree Holdings Limited**

12 April 2016

Dear Sir/Madam

**LETTER TO SHAREHOLDERS****1. INTRODUCTION****1.1 AGM**

We refer to the notice of annual general meeting of the Company dated 12 April 2016 (the "**Notice of AGM**") convening the AGM to be held on 28 April 2016, and in particular:

- (a) the ordinary resolution number 5.2 under the heading "Special Business", in relation to the proposed renewal of the IPT Mandate;
- (b) the ordinary resolution number 5.3 under the heading "Special Business", in relation to the proposed renewal of the Share Buyback Mandate; and
- (c) the ordinary resolution number 5.4 under the heading "Special Business", in relation to the proposed adoption of the Share Award Scheme,

as further explained in paragraphs 2 to 4 respectively below.

**1.2 Letter**

The purpose of this Letter is to provide Shareholders with information relating to the proposed renewal of the IPT Mandate, the proposed renewal of the Share Buyback Mandate and the proposed adoption of the Share Award Scheme (the "**Proposals**"), and to seek Shareholders' approval for the Proposals at the AGM. Capitalised words and expressions used in this Letter, where not defined in the text of this Letter, are defined in the Schedule to this Letter.

**If you are in any doubt as to the contents herein or as to the course of action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

**1.3 SGX-ST**

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Letter.

**2. THE PROPOSED RENEWAL OF THE IPT MANDATE****2.1 Background**

The IPT Mandate enables the Company, its subsidiaries and its associated companies which are considered to be "entities at risk" within the meaning of Rule 904 of the Listing Manual of the SGX-ST (the "**Listing Manual**"), to enter into any of the transactions falling within the types of interested person transactions described in the IPT Mandate (the "**Mandated IPTs**"), with any person who falls within the classes of interested persons described in the IPT Mandate, provided that such transactions are made on normal commercial terms and are not prejudicial to the Company or its minority Shareholders, and are made in accordance with the review procedures for interested person transactions as set out in the IPT Mandate.

The IPT Mandate was renewed at the extraordinary general meeting of the Company on 26 April 2007 and in the following financial years on 28 April 2008, 30 April 2009, 30 April 2010, 29 April 2011, 30 April 2012, 29 April 2013, 28 April 2014 and 29 April 2015, and will continue in force until the forthcoming AGM on 28 April 2016.

The Company is proposing the renewal of the IPT Mandate on the terms set out in Appendix 1 to this Letter. Save for the substitution of "Thai Wah Starch Public Company Limited" with "Thai Wah Public Company Limited" in the classes of interested persons, the terms of the IPT Mandate, including the rationale for the IPT Mandate, the scope of the IPT Mandate, the benefit of the IPT Mandate, the classes of interested persons, the categories of interested person transactions and the review procedures for interested person transactions in respect of which the IPT Mandate is sought to be renewed remain unchanged.

Based on publicly available information, in 2015, Thai Wah Starch Public Company Limited, a Thai company, underwent an amalgamation under Thai law with Thai Wah Food Products Public Company Limited, another Thai company. As a consequence of the amalgamation, both Thai Wah Starch Public Company Limited and Thai Wah Food Products Public Company Limited have ceased to exist, and a new company, Thai Wah Public Company Limited has, by operation of Thai law, assumed all of the assets, liabilities, rights, obligations and responsibilities of both companies. In this regard, the Company proposes to update the classes of interested persons set out in Appendix 1 to substitute Thai Wah Starch Public Company Limited with Thai Wah Public Company Limited in the list of interested persons.

The Directors propose that the IPT Mandate as set out in Appendix 1 to this Letter, be renewed at the AGM in the terms of the ordinary resolution to be proposed at the AGM and (unless revoked or varied by the Company in general meeting) to continue in force until the next AGM. It is intended that approval from Shareholders will be sought for the renewal of the IPT Mandate on an annual basis, subject to satisfactory review by the Audit and Risk Committee of its continued application to transactions with interested persons.

## 2.2 Definitions

The following definitions, or such other definitions as the SGX-ST may from time to time determine, shall apply throughout paragraph 2 of this Letter (and Appendix 1 to this Letter), unless the context otherwise requires:

- (a) **“approved exchange”** means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;
- (b) **“associate”** means:
  - (i) in relation to any director, chief executive officer or controlling shareholder (being an individual):
    - (1) his immediate family (that is, the person’s spouse, child, adopted child, step-child, sibling and parent);
    - (2) 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
    - (3) any company in which he and his immediate family together (directly or indirectly) have an interest of 30 per cent. (30%) or more; and
  - (ii) in relation to a controlling shareholder (being a company), 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 per cent. (30%) or more;
- (c) **“associated company”** means a company in which at least 20 per cent. (20%) but not more than 50 per cent. (50%) of its shares are held by the listed company or group;
- (d) **“control”** means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;
- (e) **“controlling shareholder”** means a person who:
  - (i) holds directly or indirectly 15 per cent. (15%) or more of the total number of issued shares (excluding treasury shares) in the company (the SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder); or
  - (ii) in fact exercises control over a company;
- (f) **“entity at risk”** or **“EAR”** means the issuer, a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange<sup>1</sup>, or an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed issuer and its subsidiaries, or the listed issuer, its subsidiaries and its interested person(s), has/have control over the associated company;
- (g) **“EAR Group”** means all or any of the following: the Company, its subsidiaries which are not listed on the SGX-ST or an approved exchange, and its associated companies which are not listed on the SGX-ST or an approved exchange, and over which the Group and its interested persons have control;
- (h) **“interested person”** means a director, chief executive officer or controlling shareholder of the issuer; or an associate of any such director, chief executive officer or controlling shareholder;
- (i) **“interested person transaction”** means a transaction between an entity at risk and an interested person; and
- (j) **“TR Group”** means Tropical Resorts Limited, its subsidiaries and its associated companies.

<sup>1</sup> LRH is a subsidiary of the Company and is listed on the Stock Exchange of Thailand. Following a submission by the Company to SGX-ST dated 12 November 2009, SGX-ST had confirmed to the Company on 26 February 2010 that for the purposes of Chapter 9 of the Listing Manual, the Stock Exchange of Thailand is an approved exchange i.e. an exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual. Accordingly, LRH is not an “entity at risk” as defined in Chapter 9 of the Listing Manual. LRH is also not an “interested person” of the Company as defined in Chapter 9 of the Listing Manual.

## 2.3 Audit and Risk Committee's Statements

Pursuant to Rule 920(1)(c) of the Listing Manual, the Audit and Risk Committee (comprising Mrs Fang Ai Lian, Mr Tham Kui Seng and Mr Lim Tse Ghov Olivier) confirms that:

- (a) the methods or procedures for determining the transaction prices for the interested person transactions set out in Appendix 1 to this Letter ("**Review Procedures**") have not changed since Shareholders last approved the IPT Mandate at the annual general meeting of the Company held on 29 April 2015; and
- (b) the Review Procedures are sufficient to ensure that the Mandated IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

If, during the periodic reviews by the Audit and Risk Committee, the Audit and Risk Committee is of the view that the Review Procedures are inadequate or inappropriate to ensure that the Mandated IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, or in the event of any amendment to Chapter 9 of the Listing Manual, it will in consultation with the Board take such action as it deems proper in respect of such procedures and/or modify or implement such procedures as may be necessary and direct the Company to revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with interested persons.

## 2.4 Disclosures

Disclosure will be made in the Company's Annual Report of the aggregate value of all interested person transactions conducted with interested persons pursuant to the IPT Mandate during the current financial year, and in the Annual Reports for subsequent financial years during which the IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Listing Manual. The Company will also announce the aggregate value of transactions conducted pursuant to the IPT Mandate for the financial periods that it is required to report on pursuant to Rule 705 of the Listing Manual (which relates to quarterly reporting by listed companies) within the time required for the announcement of such report.

## 3. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

### 3.1 The Proposed Renewal of the Share Buyback Mandate

It is a requirement under the Companies Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders. In this regard, the Share Buyback Mandate was approved by Shareholders at the AGM of the Company held on 29 April 2015 to enable the Directors to exercise all powers of the Company to purchase or otherwise acquire the ordinary shares in the capital of the Company (the "**Shares**") on the terms of the Share Buyback Mandate. This approval conferred on the Directors will, unless renewed, expire at the forthcoming AGM to be held on 28 April 2016.

The Company proposes to renew the mandate for the Company to make market and off-market buybacks of Shares from time to time of up to one per cent. (1%) of the total number of Shares (excluding treasury shares) in accordance with the terms set out below.

### 3.2 Rationale for the Share Buyback Mandate

The approval of the Share Buyback Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake Share purchases or acquisitions up to the one per cent. (1%) limit described in paragraph 3.3.1 below at any time, during the period when the Share Buyback Mandate is in force.

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

- (a) In managing the business of the Group, the management team strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. Share purchase is one of the ways in which the return on equity of the Group may be enhanced.
- (b) The Company has two (2) share-based incentive schemes for its employees, namely the ESOS 2006 and the PSP 2006 (collectively, the "**Plans**") and is proposing to adopt the Share Award Scheme. Under the rules of the Plans and the Share Award Scheme, subject to prevailing legislation, the Constitution and the Listing Rules, the Company has the discretion whether to issue new Shares, deemed fully paid upon issuance and allotment, to participants who have exercised their Options or whose PSP 2006 Awards or Awards have vested, as the case may be, or transfer existing Shares to such participants (whether held as treasury shares or otherwise). Shares bought back under the Share Buyback Mandate can be held by the Company as treasury shares to satisfy the Company's obligation to furnish Shares to participants under the Plans or the Share Award Scheme (if approved), thus giving the Company greater flexibility to select the method of providing Shares to employees most beneficial to the Company and its Shareholders.
- (c) The Share Buyback Mandate is an expedient, effective and cost-efficient way for the Company to return to Shareholders surplus cash/funds which is/are over and above its ordinary capital requirements and in excess of the financial and possible investment needs of the Group, if any. In addition, the Share Buyback Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure and its dividend policy.
- (d) Share buyback mandates help mitigate short-term market volatility, offset the effects of short-term speculation and bolster shareholder confidence.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said one per cent. (1%) limit during the period referred to in paragraph 3.3.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full one per cent. (1%) limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial condition of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

### 3.3 Authority and Limits on the Share Buyback Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate which is proposed to be renewed are summarised below:

#### 3.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than one per cent. (1%) of the total number of issued Shares as at the date of the AGM at which the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Companies Act, or the court has, at any time during the Relevant Period, made an order under Section 78I confirming the reduction of share capital of the Company, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered by the special resolution of the Company or the order of the court, as the case may be. Any Shares which are held as treasury shares will be disregarded for the purposes of computing the one per cent. (1%) limit.

For illustrative purposes only, on the basis of 760,721,780 Shares in issue (excluding treasury shares) as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the AGM, and that the Company does not reduce its share capital, not more than 7,607,217 Shares (representing one per cent. (1%) of the total number of issued Shares (excluding treasury shares) as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate (if renewed) during the period referred to in paragraph 3.3.2 below.

#### 3.3.2 Duration of Authority

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

- (a) the date on which the next AGM is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by Shareholders in a general meeting; or
- (c) the date on which purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated,

whichever is the earliest.

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed at the next AGM or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

#### 3.3.3 Manner of Purchase or Acquisition

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

- (a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchases**") effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Listing Rules, the Constitution 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 of 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 the abovementioned 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 (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (2) differences in consideration attributable to the fact that the offers may relate to Shares with different amounts remaining unpaid; and (3) differences in the offers introduced solely to ensure that each Shareholder is left with a whole number of Shares.

Pursuant to the Listing Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed purchase or acquisition of Shares;
- (4) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (6) 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), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases; and
- (7) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.

#### 3.3.4 *Maximum Purchase Price*

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses ("**related expenses**")) to be paid for a Share will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

- (a) in the case of a Market Purchase, 105 per cent. (105%) of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120 per cent. (120%) of the Highest Last Dealt Price (as defined hereinafter),

(the "**Maximum Price**") in either case, excluding related expenses.

For the above purposes:

**"Average Closing Price"** means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days;

**"Highest Last Dealt Price"** means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

**"day of the making of the offer"** means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

**"Market Day"** means a day on which the SGX-ST is open for trading in securities.

#### 3.4 **Status of Purchased or Acquired Shares**

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time. It is presently intended by the Company that Shares which are purchased or acquired by the Company pursuant to the Share Buyback Mandate will be held as treasury shares, up to the maximum number of treasury shares permitted by law to be held by the Company.

### 3.5 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:

#### 3.5.1 *Maximum Holdings*

The number of Shares held as treasury shares cannot at any time exceed 10 per cent. (10%) of the total number of issued Shares.

#### 3.5.2 *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 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.

In addition, no dividend may be paid, and no other distribution of the Company's assets (whether in cash or otherwise) 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. Also, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

#### 3.5.3 *Disposal and Cancellation*

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

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons. It follows that the Company may transfer the treasury shares to participants who have exercised their Options or whose PSP 2006 Awards or Awards have vested, as the case may be, under the Plans or the Share Award Scheme (if approved);
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

### 3.6 Reporting Requirements

Within 30 days of the passing of a Shareholders' resolution to approve the purchases or acquisition of Shares by the Company, the Board shall lodge a copy of such resolution with the Registrar.

The Board shall lodge with the Registrar within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise the notice of the purchase or acquisition of Shares in the prescribed form with the following particulars:

- (a) date of the purchase or acquisition;
- (b) the total number of Shares purchased or acquired by the Company;
- (c) the number of Shares cancelled;
- (d) the number of Shares held as treasury shares;
- (e) the Company's issued share capital before and after the purchase or acquisition of Shares;
- (f) the amount of consideration paid by the Company for the purchase or acquisition;
- (g) whether the Shares were purchased or acquired out of profits or the capital of the Company; and
- (h) such other information as may be required in the prescribed form.

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

- (i) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (ii) 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 for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details prescribed in the Listing Manual. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.



The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(28) of the Listing Manual, which provides that an issuer must make an immediate announcement thereof, stating the following:

- (1) date of the sale, transfer, cancellation and/or use;
- (2) purpose of such sale, transfer, cancellation and/or use;
- (3) number of treasury shares sold, transferred, cancelled and/or used;
- (4) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (5) percentage of the number of treasury shares against the total number of Shares outstanding before and after such sale, transfer, cancellation and/or use; and
- (6) value of the treasury shares if they are used for a sale or transfer, or cancelled.

The Board shall lodge with the Registrar within 30 days of the cancellation or disposal of treasury shares the notice of the cancellation or disposal of treasury shares in the prescribed form with such particulars as may be required in the form, together with payment of the prescribed fee.

### 3.7 Source of Funds

The Company may only apply funds for the purchase or acquisition of Shares as provided in the Constitution and in accordance with 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.

The Company may use internal sources of funds, or a combination of internal resources and external borrowings, to finance Share Buybacks. The Directors do not propose to exercise the Share Buyback Mandate or rely on external borrowings to finance Share Buybacks to such an extent that it would materially affect the financial condition, working capital requirements or investment ability of the Group.

### 3.8 Financial Effects

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

The Company's total issued share capital will be diminished by the total number of Shares purchased or acquired by the Company and which are not held as treasury shares. The NTA of the Group will be reduced by the aggregate purchase price (including any expenses (including brokerage or commission) incurred in the purchase or acquisition of the Shares which is paid out of the Company's capital or profits) paid by the Company for the Shares.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, the amount available for the distribution of cash dividends by the Company will be correspondingly reduced.

The purchase or acquisition of Shares will only be effected by the Company after the Board has considered relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions. The Share Buyback Mandate (if renewed) will be exercised with a view to enhance the EPS and/or the NTA per Share of the Group.

For illustrative purposes only, the financial effects of the Share Buyback Mandate (if renewed) on the Company and the Group, based on the audited financial accounts of the Group for the financial year ended 31 December 2015 are based on the assumptions set out below:

- (a) based on 760,721,780 Shares in issue (excluding treasury shares) as at the Latest Practicable Date and assuming no further Shares are issued and 680,500 Shares are held by the Company as treasury shares on or prior to the AGM, and no reduction of share capital of the Company takes place, not more than 7,607,217 Shares (representing one per cent. (1%) of the total number of issued Shares (excluding treasury shares) as at the date of the AGM) may be purchased by the Company pursuant to the Share Buyback Mandate (if renewed);
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases 7,607,217 Shares (representing approximately one per cent. (1%) of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date) at the Maximum Price of S\$0.51 for one (1) Share (being the price equivalent to five per cent. (5%) above the average of the closing prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of the 7,607,217 Shares (excluding related expenses) is approximately S\$3.9 million; and

(c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases 7,607,217 Shares (representing approximately one per cent. (1%) of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date) at the Maximum Price of S\$0.61 for one (1) Share (being the price equivalent to 20 per cent. (20%) above the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of the 7,607,217 Shares (excluding related expenses) is approximately S\$4.6 million.

For illustrative purposes only, and based on the assumptions set out in sub-paragraphs (a), (b) and (c) above and assuming that (i) such purchase of Shares is financed solely by internal sources of funds and made entirely out of profits; (ii) the Share Buyback Mandate had been effective on 1 January 2015; and (iii) the Company had on the last day of the financial year ended 31 December 2015 purchased 7,607,217 Shares (representing approximately one per cent. (1%) of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date), the financial effects of the purchase of the 7,607,217 Shares by the Company pursuant to the Share Buyback Mandate, in the Market Purchase and Off-Market Purchase scenarios, in either case, whether held as treasury shares or cancelled, on the audited financial accounts of the Group and the Company for the financial year ended 31 December 2015, are summarised in the following tables:

**Pro-forma Financial Effects on the Group as at 31 December 2015 of the Scenarios described above**

|  | Per Consolidated<br>Financial Statements<br>as at 31 December 2015 | Pro-forma Financial Effects<br>as at 31 December 2015<br>for the Scenarios described above |                     |
|--|--|--|---------------------|
|  |  | Market Purchase  | Off-Market Purchase |
| Equity attributable to owners of the Company (S\$'000) | 548,792  | 544,926  | 544,182             |
| NTA (S\$'000)  | 513,827  | 509,961  | 509,217             |
| Non-controlling interests (S\$'000)                    | 150,669  | 150,669  | 150,669             |
| Current assets (S\$'000)                               | 634,175  | 630,309  | 629,565             |
| Current liabilities (S\$'000)                          | 214,954  | 214,954  | 214,954             |
| Cash & cash equivalents (S\$'000)                      | 165,476  | 161,610  | 160,866             |
| Working capital (S\$'000)                              | 419,221  | 415,355  | 414,611             |
| Number of issued Shares (excluding treasury shares)    | 760,721,780  | 753,114,563  | 753,114,563         |
| Weighted average number of Shares                      | 760,546,120  | 760,546,120  | 760,546,120         |
| <b>Financial Ratios</b>                                |  |  |                     |
| NTA per Share (cents)                                  | 67.54  | 67.71  | 67.61               |
| Current ratio (times)                                  | 2.95   | 2.93   | 2.93                |
| EPS (cents)  | (3.62)   | (3.62)   | (3.62)              |

**Pro-forma Financial Effects on the Company as at 31 December 2015 of the Scenarios described above**

|  | Per Financial Statements<br>as at 31 December 2015 | Pro-forma Financial Effects<br>as at 31 December 2015 for<br>the Scenarios described above |                     |
|--|--|--|---------------------|
|  |  | Market Purchase  | Off-Market Purchase |
| Equity attributable to owners of the Company (S\$'000) | 261,536  | 257,670  | 256,926             |
| NTA (S\$'000)  | 259,012  | 255,146  | 254,402             |
| Current assets (S\$'000)                               | 267,745  | 263,879  | 263,135             |
| Current liabilities (S\$'000)                          | 89,052   | 89,052   | 89,052              |
| Cash & cash equivalents (S\$'000)                      | 69,121   | 65,255   | 64,511              |
| Working capital (S\$'000)                              | 178,693  | 174,827  | 174,083             |
| Number of issued Shares (excluding treasury shares)    | 760,721,780  | 753,114,563  | 753,114,563         |
| Weighted average number of Shares                      | 760,546,120  | 760,546,120  | 760,546,120         |
| <b>Financial Ratios</b>                                |  |  |                     |
| NTA per Share (cents)                                  | 34.05  | 33.88  | 33.78               |
| Current ratio (times)                                  | 3.01   | 2.96   | 2.96                |
| EPS (cents)  | 4.65   | 4.65   | 4.65                |

Shareholders should note that the financial effects set out above are purely for illustrative purposes only and based on the abovementioned assumptions. Although the Share Buyback Mandate (if renewed) would authorise the Company to purchase up to one per cent. (1%) of the total number of issued Shares (excluding treasury shares) as determined in accordance with the applicable provisions of the Companies Act, the Company may not necessarily purchase or be able to purchase the entire one per cent. (1%) of the total number of its issued Shares (excluding treasury shares). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

Shareholders who are in doubt as to their tax positions or any tax implications in their respective jurisdictions should consult their own professional tax advisers.

### 3.9 Take-over Implications

Appendix 2 to 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.

#### 3.9.1 *Obligation to make a Take-over Offer*

If, as a result of any purchase or acquisition by the Company of the 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 for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

#### 3.9.2 *Persons Acting in Concert*

Under the Take-over Code, persons acting in concert ("**concert parties**") 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 the company.

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

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company 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 companies for the purchase of voting rights;
- (b) a company with any of its directors (together with their close relatives, related trusts and any 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 the 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 per cent. (10%) or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of the foregoing, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to 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 entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20 per cent. (20%) but not more than 50 per cent. (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 their concert parties respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 to the Take-over Code.

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

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

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

Based on the interests of the Substantial Shareholders in Shares recorded in the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, none of the Substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate of the maximum limit of one per cent. (1%) of its issued Shares (excluding treasury shares) as at the Latest Practicable Date.

Shareholders are reminded that those who are in doubt as to their obligations, if any, to make a mandatory offer under the Take-over Code as a result of the Shares bought back by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

### **3.10 Listing Rules**

While the Listing Rules do not expressly prohibit purchase of shares by a listed company during any particular time or times, because a listed company would be considered an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not purchase or acquire any Shares pursuant to the Share Buyback Mandate after a development which could have a material effect on the price of the Shares has occurred or has been the subject of consideration and/or a decision of the Board until such time as such information has been publicly announced. In particular, in line with Rule 1207(19)(c) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases during the period of:

- (a) one (1) month immediately preceding the announcement of the Company's full year results; and
- (b) two (2) weeks immediately preceding the announcement of the Company's quarterly results.

The Company is required under Rule 723 of the Listing Manual to ensure that at least 10 per cent. (10%) of the total number of issued Shares (excluding treasury shares) are in the hands of the public. The "public", as defined under the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company and its subsidiaries, as well as the associates of such persons.

Based on the Register of Directors' shareholdings and the Register of Substantial Shareholders maintained by the Company, and notifications and information received by the Company, as at the Latest Practicable Date approximately 194,383,955 Shares, representing 25.55 per cent. (25.55%) of the total number of issued Shares (excluding treasury shares), are in the hands of the public. Assuming that the Company purchases its Shares up to the full one per cent. (1%) limit pursuant to the Share Buyback Mandate from the public (as defined in the Listing Rules), the number of Shares in the hands of the public would be reduced to 186,776,738 Shares, representing 24.80 per cent. (24.80%) of the issued share capital of the Company (excluding treasury shares). Accordingly, the Company is of the view that there is a sufficient number of Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its Shares up to the full one per cent. (1%) limit pursuant to the Share Buyback Mandate (if renewed) without affecting the listing status of the Shares on the SGX-ST, 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.

In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

### **3.11 Previous Share Buybacks**

The Company has not purchased any Shares in the 12 months immediately preceding the Latest Practicable Date. As at the Latest Practicable Date, the Company holds 680,500 treasury Shares.

## **4. THE PROPOSED ADOPTION OF THE SHARE AWARD SCHEME**

### **4.1 The Proposed Adoption of the Share Award Scheme**

The Company proposes to adopt the Share Award Scheme subject to Shareholders' approval at the AGM. A summary of the principal rules of the Share Award Scheme is set out in paragraph 4.5 of this Letter. Please refer to Appendix 2 to this Letter for the proposed rules of the Share Award Scheme.

### **4.2 The Existing Share Incentive Schemes**

The Company has in place two existing share incentive schemes, the ESOS 2006 and the PSP 2006, which were adopted at the AGM of the Company held on 28 April 2006. The Plans will be expiring on 27 April 2016. Save for the Plans, the Company does not have any other employee share scheme or employee share option scheme in place.

In view of the impending expiry of the PSP 2006, the Company wishes to adopt the Share Award Scheme to replace the existing PSP 2006, subject to, and upon, approval of Shareholders being obtained for the Share Award Scheme at the AGM. The Company does not intend to extend the duration of, or replace, the existing ESOS 2006. As such, following the conclusion of the AGM to be held on 28 April 2016, the Share Award Scheme (if approved), will be the only share incentive scheme of the Company.

No options were granted under the ESOS 2006.

The terms of the PSP 2006 will continue to apply to the outstanding PSP 2006 Awards.

A summary of the ESOS 2006 and PSP 2006 was set out on pages 164 to 176 of the Company's prospectus dated 26 May 2006, which is available on the SGX-ST's website.

#### 4.3 PSP 2006 Awards

As at the Latest Practicable Date, there are outstanding and unvested PSP 2006 Awards granted to participants of the PSP 2006 in respect of a maximum of 114,108,267 Shares:

|  |   |
|--|---|
| Maximum number of Shares which are the subject of the outstanding and unvested PSP 2006 Awards                               | : 1,666,400 Shares  |
| Total number of Shares which are pending release pursuant to the PSP 2006 Awards   | : 678,500 Shares  |
| Total number of Shares which have been delivered pursuant to the release of the PSP 2006 Awards                              | : 5,430,750 Shares  |
| Number of participants in the PSP 2006 as at the Latest Practicable Date   | : 165 participants  |
| Details of PSP 2006 Awards granted to the Directors (other than those who are Controlling Shareholders and their Associates) | : PSP 2006 Awards were granted to four (4) Directors on 19 April 2007, 25 April 2008, 15 May 2009, 15 June 2010, 6 April 2011, 2 April 2012 and 1 April 2013. As at the Latest Practicable Date, a total of 421,800 Shares have been delivered to the Directors upon the release of the PSP 2006 Awards, a total of 22,500 Shares are pending release pursuant to the PSP 2006 Awards, and a total of 75,000 Shares are the subject of the outstanding and unvested PSP 2006 Awards granted to the Directors. |
| Details of PSP 2006 Awards granted to the Controlling Shareholders and their Associates                                      | : No PSP 2006 Awards have been granted to any Controlling Shareholders or their Associates.   |

#### 4.4 Rationale for the Share Award Scheme

The Share Award Scheme is proposed to increase the Group's effectiveness and flexibility in its continuing efforts to retain, reward and motivate employees to achieve superior performance, through providing incentives for excellent performance and to encourage greater dedication and loyalty to the Company. Through the Share Award Scheme, the Company seeks to motivate key senior management and employees to continue to strive for the Company's long-term shareholder value, by providing an opportunity for them to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term profitability of the Company and promoting their organisational commitment, dedication and loyalty towards the Company. The Share Award Scheme will also help to enhance the Group's competitiveness in retaining and attracting talented key senior management and employees.

In addition, the Share Award Scheme aims to foster a greater ownership culture within the Company which more directly aligns the interests of key senior management and employees with the interests of Shareholders, and to improve performance and achieve sustainable growth for the Company in the changing business environment. The Company believes that the Share Award Scheme will be an effective tool in motivating key senior management and employees to strive to deliver long-term shareholder value.

It is envisaged that when implemented, the Share Award Scheme will help to achieve the following positive objectives:

- the retention of key employees of the Group whose contributions are essential to the long-term growth and profitability of the Group; and
- to align the interests of the Participants with the interests of the Shareholders.

#### 4.5 Summary of Rules of the Share Award Scheme

The following is a summary of the principal rules of the Share Award Scheme:

##### 4.5.1 Eligibility of Participants

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

- Group Executives; and
- Non-Executive Directors,

provided that, as at the Grant Date, such persons have attained the age of 21 years, are not undischarged bankrupts and have not entered into any composition(s) with their respective creditors, and in the case of Group Executives, whose employment in the relevant company within the Group has been confirmed and who has completed at least 12 continuous months of service as at 2 January of the year in which the Grant Date falls.

Controlling Shareholders and their Associates (including but not limited to Mr Ho KwonCjan and Ms Claire Chiang) who have contributed to the success and development of the Group are, subject to the absolute discretion of the Committee, eligible to participate in the Share Award Scheme provided that the participation by each such Controlling Shareholder or Associate and each grant of Awards to any one of them may be effected only with the specific prior approval of Shareholders at a general meeting in separate resolutions. The Company will at such time provide the rationale and justification for any proposal to grant Awards to Controlling Shareholders or their Associates.

For the avoidance of doubt, insofar as Mr Ho KwonPing is a Controlling Shareholder, he shall not be entitled to participate in the Share Award Scheme.

#### **4.5.2 Grant of Awards**

An Award represents the right conferred by the Company on a Participant to be issued or transferred Shares in the Company, free of charge, upon the satisfaction of the prescribed Performance Condition(s) (if any) within the Performance Period(s). Participants will be granted an Award, under which Shares will be Vested and Released at the end of the Performance Period once the Committee is, at its absolute discretion, satisfied that the Performance Condition(s) (if any) have been satisfied.

The number of Shares which are the subject of each Award to be granted to a Group Executive and/or a Non-Executive Director in accordance with the Share Award Scheme shall be determined at the absolute discretion of the Committee, which shall take into account, in respect of a Group Executive, criteria including but not limited to his job performance, level of responsibility and his potential for future development, and, in respect of a Non-Executive Director, criteria including but not limited to his contribution to the success and development of the Group. In setting Performance Condition(s), the Committee may take into consideration all relevant factors in its absolute discretion, including but not limited to, total Shareholders' returns, market ranking, sales targets and occupancy rates.

An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer of the Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award, that Award or Released Award shall immediately lapse.

The Committee may determine to make a Release of Award, wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive, within such reasonable period after the Vesting Date, in lieu of all or part of the Shares which would otherwise have been allotted or transferred to him on Release of his Award, the aggregate Market Value of such Shares on the Vesting Date.

#### **4.5.3 Details of Awards**

In relation to each Award to be granted to a Participant under the Share Award Scheme, the Committee shall decide, amongst others, the following:

- (a) the Grant Date;
- (b) the Start Date;
- (c) the Performance Period(s);
- (d) the number of Shares which are the subject of the Award;
- (e) the Performance Condition(s) (if any);
- (f) the Release Schedule (if any);
- (g) the Retention Period (if any); and
- (h) any other condition which the Committee may determine in relation to the Award.

The Committee shall have the absolute discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make reference to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further, the right to amend the Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

#### 4.5.4 Events prior to the Vesting Date

An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:

- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its absolute discretion;
- (b) subject to paragraph 4.5.4(ii), 4.5.4(iv) and 4.5.4(v), where the Participant is a Group Executive, upon the Participant ceasing to be in the employment of the relevant company within the Group, for any reason whatsoever (unless the Committee determines otherwise); or
- (c) upon an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purpose of paragraph 4.5.4(b), unless the Committee determines otherwise (in its absolute discretion), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

In any of the following events, namely:

- (i) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;
- (ii) where the Participant being a Group Executive, ceases to be in the employment of the relevant company within the Group, as the case may be, by reason of:
  - (A) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
  - (B) redundancy;
  - (C) retirement at or after the legal retirement age; or
  - (D) retirement before the legal retirement age with the consent of the Committee;
- (iii) where a Participant, being a Non-Executive Director, ceases to be a Director or, as the case may be, a director of any Subsidiary or Associated Company, for any reason whatsoever; or
- (iv) the death of the Participant; or
- (v) any other event approved by the Committee,

an Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company, unless otherwise determined by the Committee in its absolute discretion. In exercising such discretion, the Committee may, *inter alia*, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period(s) and/or to adjust any Performance Period(s).

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

- (1) a take-over offer for the Shares becomes or is declared unconditional;
- (2) the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies under the Companies Act; or
- (3) the Shareholders pass a resolution for a members' solvent voluntary winding-up (other than for amalgamation or reconstruction),

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

#### 4.5.5 Limitation on the Size of the Share Award Scheme

The total number of Shares which may be issued and/or transferred pursuant to Awards granted under the Share Award Scheme, when added to the total number of Shares issued and issuable and/or existing Shares transferred and transferrable in respect of:

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

shall not exceed five per cent. (5%) of the total number of issued Shares (excluding treasury shares) on the day preceding the relevant date of the Award.

The aggregate number of Shares available to Controlling Shareholders and their Associates shall not exceed 25 per cent. (25%) of the Shares available under the Share Award Scheme. The number of Shares available to each Controlling Shareholder or his Associate shall not exceed 10 per cent. (10%) of the Shares available under the Share Award Scheme.

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

#### **4.5.6 Duration of the Share Award Scheme**

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

The Share Award Scheme may be terminated at any time by the Committee or, at the absolute discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Share Award Scheme is so terminated, no further Awards shall be granted by the Committee hereunder.

The termination of the Share Award Scheme shall not affect Awards which have been granted, whether such Awards have been Released (whether fully or partially) or not.

#### **4.5.7 Operation of the Share Award Scheme**

In determining whether to issue new Shares or to deliver existing Shares held in treasury by the Company to Participants on Vesting of their Awards (which shall be determined by the Committee on or prior to the Vesting Date), the Company will take into account factors such as (but not limited to) the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of the various modes of settlement.

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

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

### **4.6 Adjustment Events and Modifications under the Share Award Scheme**

#### **4.6.1 Adjustment Events**

If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place, or if the Company shall make a capital distribution or a declaration of special dividend (whether interim or final and whether in cash or *in specie*), then the Committee may as it deems appropriate, determine whether:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
  - (b) the class and/or number of Shares in respect of which future Awards may be granted under the Scheme,
- shall be adjusted and if so, the manner in which such adjustment shall be made.

Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or upon the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants, or the cancellation of issued Shares purchased or acquired by the Company by way of a Market Purchase of such Shares undertaken by the Company on the SGX-ST or any other stock exchange on which the Shares are quoted or listed 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.

No adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive. 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.



#### 4.6.2 Modifications

The Share Award Scheme may be modified or altered from time to time by resolution of the Committee, subject to the prior approval of the SGX-ST or any other stock exchange on which the Shares are quoted or listed and such other regulatory authorities as may be necessary. However, no modification or alteration shall adversely affect the rights attaching to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Condition(s) (if any) for their Awards being satisfied in full, would thereby become entitled to not less than three-quarters of the aggregate number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Condition(s) for all such outstanding Awards being satisfied in full.

No alteration shall be made to the particular rules of the Share Award Scheme to the advantage of Participants except with the prior approval of Shareholders in general meeting.

#### 4.7 Disclosure in the Annual Report in respect of the Share Award Scheme

The following disclosures (as applicable) will be made by the Company in its Annual Report for so long as the Share Award Scheme continues in operation and as from time to time required by the SGX-ST:

- (a) the names of the members of the Committee administering the Share Award Scheme;
- (b) in respect of the following Participants:
  - (i) Directors;
  - (ii) Controlling Shareholders and their Associates; and
  - (iii) Participants, other than those in paragraphs 4.7(b)(i) and 4.7(b)(ii), who have been granted Awards under the Share Award Scheme and/or who have received Shares pursuant to the Release of Awards granted under the Share Award Scheme which, in aggregate, represent five per cent. (5%) or more of the total number of Shares available under the Share Award Scheme,

the following information:

- (A) the name of the Participant;
- (B) the following particulars relating to Shares delivered pursuant to Awards released under the Share Award Scheme:
  - (1) the number of Shares comprised in Awards granted to such Participant during the financial year under review (including terms);
  - (2) the aggregate number of Shares comprised in Awards granted to such Participant since the commencement of the Share Award Scheme to the end of the financial year under review;
  - (3) the aggregate number of Shares comprised in Awards granted to such Participant that have been Vested since the commencement of the Share Award Scheme to the end of the financial year under review; and
  - (4) the aggregate number of Shares comprised in Awards granted to such Participant that are outstanding as at the end of the financial year under review; and
- (c) such other information as may be required by the Listing Manual or the Companies Act.

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

#### 4.8 Role and Composition of the Committee

The Share Award Scheme will be administered by a Committee comprising Directors, with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to or held by that member of the Committee or his Associate. It is intended that the Nominating and Remuneration Committee shall be the Committee designated to administer the Share Award Scheme.

#### 4.9 Participation by Directors and Employees of Associated Companies in the Share Award Scheme

The Board is of the view that the Share Award Scheme should cater to not only directors and employees of the Company and its Subsidiaries, but also those of the Associated Companies.

The Board acknowledges that it is crucial to the stability and growth of the Group that the Company recognises the services, knowledge, expertise, assistance and support provided to the Company by executives of such Associated Companies, and that the Group continues to receive their support and contributions in the development and implementation of business strategies, investments and projects in which the Company or the Group has interests. The extension of the Share Award Scheme to executives of Associated Companies gives them an opportunity to share in the success and achievements of the Group and the performance of the Company through participation in the equity of the Company. It is hoped that by doing so, the Company will also strengthen its working relationships with such executives of Associated Companies by inculcating in them a stronger identification with the Group, and will serve to attract, retain and incentivise such executives of Associated Companies to higher standards of performance which will improve the Group's long-term prosperity.

For these purposes, the contributions made by the executives of Associated Companies to the Group are proposed to be measured using internal guidelines to be determined by the Committee with parameters which may include but are not limited to the Group's performance as well as the individual Participant's contributions towards the overall profitability of the Group.

#### **4.10 Participation by Non-Executive Directors in the Share Award Scheme**

It is also intended that Non-Executive Directors will be eligible to participate in the Share Award Scheme. Although the Non-Executive Directors are not involved in the day-to-day running of the Group, they also play an invaluable role in the success of the Group by leveraging on their 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 their diverse backgrounds and working experience. Non-Executive Directors also serve an important function in ensuring good corporate governance of the Group through their appointments as members of the Audit and Risk Committee and the Nominating and Remuneration Committee. It is crucial for the Company to attract and retain these Non-Executive Directors.

The Directors are of the view that including the Non-Executive Directors in the Share Award Scheme will show the Company's appreciation for, and further motivate them in their contribution towards the success of the Company. However, the Company recognises that their services and contributions cannot be measured in the same way as the full-time employees of the Company.

For the purpose of assessing the contributions of the Non-Executive Directors and the number of Awards to be offered (in accordance with the Share Award Scheme), the Committee 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, the Group, as well as their involvement and commitment to the Board.

#### **4.11 Participation by Controlling Shareholders and Associates in the Share Award Scheme**

The Board is of the view that granting Awards to Controlling Shareholders and their Associates who are eligible Group Executives or Non-Executive Directors, is in line with the overall objectives of the Share Award Scheme, including the retention of key employees of the Group whose contributions are essential to the long-term growth and profitability of the Group. Controlling Shareholders and their Associates should not be excluded from the Share Award Scheme solely by virtue of the fact that they are Controlling Shareholders and Associates if they are nonetheless able to contribute to the success and development of the Group.

It is the intention that the Company has a fair and equitable system to reward all employees, including those who are Controlling Shareholders and Associates of Controlling Shareholders, who have made and continue to make important contributions to the long-term growth of the Group. The Board is of the view that Controlling Shareholders and their Associates should not be unduly discriminated against by virtue only that they are Controlling Shareholders or their Associates; the support, services and contributions of Controlling Shareholders and their Associates are important to the Group. The extension of the Share Award Scheme to Controlling Shareholders and their Associates will enhance their long-term commitment to the Group as it will ensure that they will continue to have a stake in the Company. In addition, to deny participation by such Controlling Shareholders and their Associates may serve to demotivate them and undermine the objectives of the Share Award Scheme.

#### **4.12 Financial Effects of the Share Award Scheme**

The financial effects of the Company granting Awards under the Share Award Scheme are as follows:

##### **4.12.1 Cost of Awards**

Financial Reporting Standard 102 ("**FRS 102**") relating to share-based payments takes effect for all listed companies beginning 1 January 2005. Participants will receive Shares in settlement of the Awards and the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the consolidated income statement over the period between the Grant Date and the Vesting Date of an Award. For Awards, the total amount of charge over the Performance Period is determined by reference to the fair value of each Award granted at the Grant Date and the number of Shares Vested at the Vesting Date, with a corresponding credit to the reserve account. Before the end of the Performance Period, at each accounting year end, the estimate of the number of Awards that are expected to Vest by the Vesting Date is revised, and the impact of the revised estimate is recognised in the consolidated income statement with a corresponding adjustment to the reserve account. After the Vesting Date, no adjustment to the charge to the consolidated income statement is made.

The amount charged to the income statement also depends on whether or not the Performance Condition(s) (if any) attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. If the Performance Condition is a market condition, the probability of the Performance Condition being met is taken into account in estimating the fair value of the Award granted at the grant date, and no adjustments to the amounts charged to the income statement are made, whether or not the market condition is met. However, if the Performance Condition is not a market condition, the fair value per Share of the Awards granted at the grant date is used to compute the amount to be charged to the income statement at each accounting date, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to Vest. Thus, where the Vesting conditions do not include a market condition, there would be no cumulative charge to the income statement if the Awards do not ultimately Vest.

#### **4.12.2 Share Capital**

The Share Award Scheme will result in an increase in the Company's issued share capital only if the new Shares are issued to Participants. The number of new Shares issued will depend on, *inter alia*, the size of the Awards granted, and the prevailing market price of the Shares on the SGX-ST or such other stock exchange on which the Shares may for the time being be listed or quoted. However, if existing Shares are purchased for delivery to Participants or if treasury shares are transferred and delivered to Participants in lieu of issuing new Shares, the Share Award Scheme will have no impact on our Company's issued share capital.

#### **4.12.3 NTA**

The proposed Share Award Scheme is likely to result in a change to the Company's consolidated income statement over the period from the Grant Date to the Vesting Date for the Awards. The amount of the charge will be computed in accordance with FRS102. When new Shares are issued under the Share Award Scheme, there would be no effect on the NTA. However, if instead of issuing new Shares to the Participants under the Share Award Scheme, existing Shares are purchased for delivery to Participants, the NTA would be impacted by the cost of the Shares purchased.

It should be noted that the delivery of Shares to Participants under the proposed Share Award Scheme will generally be contingent upon the Participants meeting prescribed Performance Conditions and/or service conditions or being recognised as having performed and made contributions to the Group or such other conditions, if any.

#### **4.12.4 EPS**

The Share Award Scheme is likely to result in a charge to the Company's consolidated income statement over the period from the Grant Date to the Vesting Date of the Awards. The amount of the charge will be computed in accordance with FRS 102.

It should again be noted that the delivery of Shares to Participants under the proposed Share Award Scheme will generally be contingent upon the Participants meeting prescribed Performance Conditions and/or service conditions or being recognised as having performed and made contributions to the Group or such other conditions, if any.

#### **4.12.5 Dilutive Impact**

It is expected that any dilutive impact of the Share Award Scheme on the NTA and EPS would not be significant.

### **4.13 Approval for the Share Award Scheme**

The SGX-ST has on 18 February 2016 granted its in-principle approval for the listing and quotation of the new Shares to be allotted and issued pursuant to the Share Award Scheme, subject to:

- (a) Shareholders' approval for the Share Award Scheme being obtained; and
- (b) the Company's compliance with the SGX-ST's listing requirements and guidelines.

Such in-principle approval, and the admission to, and quotation of the new Shares on the Official List of the SGX-ST is not to be taken as an indication of the merits of the proposed Share Award Scheme, the new Shares, the Company and/or its subsidiaries.

## **5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS**

Based on the Register of Directors' shareholdings and the Register of Substantial Shareholders maintained by the Company, notifications and information received by the Company, as at the Latest Practicable Date, and as at the date of the AGM (on the assumption that their voting rights will not change between the Latest Practicable Date and the date of the AGM), the direct and deemed interests and voting rights of the Directors and the Substantial Shareholders before and after the purchase of Shares pursuant to the Share Buyback Mandate (if renewed), assuming (a) the Company purchases the maximum amount of one per cent. (1%) of the total number of issued Shares (excluding treasury shares) determined in accordance with the provisions of the Companies Act, and (b) there is no change in the number of Shares held by the

Directors and the Substantial Shareholders or which they are deemed interested in, will be as follows:

|  | Before Share Buyback (No. of Shares) |                           |                | Before Share Buyback % <sup>1</sup> | After Share Buyback % <sup>2</sup> |
|--|--------------------------------------|---------------------------|----------------|-------------------------------------|------------------------------------|
|  | Direct Interest                      | Deemed Interest           | Total Interest |                                     |                                    |
| <b>Directors</b>   |                                      |                           |                |                                     |                                    |
| Ho KwonPing  | –                                    | 291,903,182 <sup>3</sup>  | 291,903,182    | 38.37                               | 38.76                              |
| Ariel P Vera   | 1,098,000                            | 172,500 <sup>4</sup>      | 1,270,500      | 0.17                                | 0.17                               |
| Chia Chee Ming Timothy   | 257,000                              | –                         | 257,000        | 0.03                                | 0.03                               |
| Elizabeth Sam  | 156,000                              | –                         | 156,000        | 0.02                                | 0.02                               |
| Fang Ai Lian <sup>5</sup>  | –                                    | –                         | –              | –                                   | –                                  |
| Chan Heng Wing <sup>6</sup>                                      | –                                    | –                         | –              | –                                   | –                                  |
| Tham Kui Seng  | –                                    | –                         | –              | –                                   | –                                  |
| Lim Tse Ghow Olivier   | –                                    | –                         | –              | –                                   | –                                  |
| <b>Substantial Shareholders<br/>(who are not also Directors)</b> |                                      |                           |                |                                     |                                    |
| Claire Chiang  | –                                    | 291,903,182 <sup>7</sup>  | 291,903,182    | 38.37                               | 38.76                              |
| Bibace   | –                                    | 285,103,182 <sup>8</sup>  | 285,103,182    | 37.48                               | 37.86                              |
| Ho KwonCjan  | 16,000,000                           | 49,629,000 <sup>9</sup>   | 65,629,000     | 8.63                                | 8.71                               |
| Qatar Holding LLC  | –                                    | 205,870,443 <sup>10</sup> | 205,870,443    | 27.06                               | 27.34                              |
| Qatar Investment Authority                                       | –                                    | 205,870,443 <sup>11</sup> | 205,870,443    | 27.06                               | 27.34                              |

**Notes:**

- <sup>1</sup> As a percentage of the current issued Share capital of the Company (excluding treasury shares), comprising 760,721,780 Shares.
- <sup>2</sup> As a percentage of the issued Share capital of the Company (excluding treasury shares), comprising 753,114,563 Shares, assuming that the Company purchases the maximum number of 7,607,217 Shares under the Share Buyback Mandate.
- <sup>3</sup> Ho KwonPing is deemed to have an interest in the Shares held by Recourse Investments Ltd., HSBC (Singapore) Nominees Pte Ltd and Raffles Nominees (Pte.) Limited (acting as nominees for Bibace) and Raffles Nominees (Pte.) Limited (acting as nominee for KAP Holdings Ltd.).
- <sup>4</sup> The number of Shares comprised in PSP 2006 Awards granted by the Company under the PSP 2006, subject to performance conditions being met.
- <sup>5</sup> Fang Ai Lian holds S\$500,000 of the Series 010 Notes issued by BTH under its S\$700,000,000 Multicurrency Debt Issuance Programme.
- <sup>6</sup> Chan Heng Wing holds S\$250,000 of the Series 009 Notes issued by BTH under its S\$700,000,000 Multicurrency Debt Issuance Programme.
- <sup>7</sup> Claire Chiang is deemed to have an interest in the Shares held by Recourse Investments Ltd., HSBC (Singapore) Nominees Pte Ltd and Raffles Nominees (Pte.) Limited (acting as nominees for Bibace) and Raffles Nominees (Pte.) Limited (acting as nominee for KAP Holdings Ltd.).
- <sup>8</sup> Bibace is deemed to have an interest in the Shares held by its nominees, HSBC (Singapore) Nominees Pte Ltd and Raffles Nominees (Pte.) Limited.
- <sup>9</sup> Ho KwonCjan is deemed to have an interest in the Shares held by ICD (HK) Limited, Freesia Investments Ltd and Raffles Nominees (Pte.) Limited (acting as nominee for Li-Ho Holdings (Private) Limited).
- <sup>10</sup> Qatar Holding LLC (“QH”) is deemed to have an interest in the Shares held through third party nominees.
- <sup>11</sup> Qatar Investment Authority is deemed to have an interest in the Shares held by its wholly-owned subsidiary, QH.

## 6. DIRECTORS’ RECOMMENDATIONS AND ABSTENTION FROM VOTING

### 6.1 Proposed Renewal of the IPT Mandate

The Directors who are considered independent for the purposes of the IPT Mandate are Mr Chia Chee Ming Timothy, Mrs Fang Ai Lian, Mrs Elizabeth Sam, Mr Chan Heng Wing, Mr Tham Kui Seng and Mr Lim Tse Ghow Olivier (the “**Independent Directors**”). The Independent Directors are of the opinion that the proposed renewal of the IPT Mandate is in the best interests of the Company. Accordingly, the Independent Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the IPT Mandate as set out in the Notice of AGM.

Mr Ho KwonPing and Mr Ariel P Vera, who are Associates of the interested persons in the IPT Mandate, will abstain from voting on their Shares at the AGM in respect of the resolution relating to the proposed renewal of the IPT Mandate. They will also not accept nominations to act as proxy, corporate representative or attorney to vote in respect of the said resolution unless the Shareholders appointing them have indicated clearly how their votes are to be cast in respect of the said resolution.

The interested persons named in the IPT Mandate and their associates should abstain from voting on the ordinary resolution relating to the proposed renewal of the IPT Mandate as set out in the Notice of AGM. They should also not accept nominations to act as proxy, corporate representative or attorney to vote in respect of the said resolution unless the Shareholders appointing them have indicated clearly how their votes are to be cast in respect of the said resolution.

## 6.2 Proposed Renewal of the Share Buyback Mandate

The Directors are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the Share Buyback Mandate as set out in the Notice of AGM.

## 6.3 Proposed Adoption of the Share Award Scheme

Save for Mr Ho KwonPing, all the Directors are eligible to participate in, and are therefore interested in, the Share Award Scheme. Accordingly, they have refrained from making any recommendation on, and in the case of Directors who are Shareholders, shall abstain from voting in respect of, the ordinary resolution relating to the proposed adoption of the Share Award Scheme. They will also not accept nominations to act as proxy, corporate representative or attorney to vote in respect of the said resolution unless the Shareholders appointing them have indicated clearly how their votes are to be cast in respect of the said resolution.

Mr Ho KwonPing has also voluntarily abstained from making any recommendation on, or voting in respect of, the ordinary resolution relating to the proposed adoption of the Share Award Scheme. He will also not accept nominations to act as proxy, corporate representative or attorney to vote in respect of the said resolution unless the Shareholders appointing him have indicated clearly how their votes are to be cast in respect of the said resolution.

Save as disclosed in this Letter, none of the Directors has any interest, direct or indirect, in the Share Award Scheme.

All persons who are entitled to participate in the proposed Share Award Scheme shall abstain from voting on the ordinary resolution relating to the proposed adoption of the Share Award Scheme. They will also not accept nominations to act as proxy, corporate representative or attorney to vote in respect of the said resolution unless the Shareholders appointing them have indicated clearly how their votes are to be cast in respect of the said resolution.

## 7. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company during normal business hours on any weekday (public holidays excluded) from the date of this Letter up to and including the date of the AGM:

- (a) the Annual Report of the Company for the financial year ended 31 December 2015;
- (b) the Constitution;
- (c) the rules of the ESOS 2006; and
- (d) the rules of the PSP 2006.

## 8. DIRECTORS' RESPONSIBILITY STATEMENT

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

Yours faithfully  
For and on behalf of the Board of Directors of  
**Banyan Tree Holdings Limited**

**Ho KwonPing**  
Executive Chairman

# Schedule - Definitions

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

|                                   |  |
|-----------------------------------|--|
| <b>"AGM"</b>                      | : The annual general meeting of the Company. Notice of the forthcoming AGM to be held on 28 April 2016 is given on pages 225 to 230 of the Annual Report of the Company in respect of the financial year ended 31 December 2015  |
| <b>"Associate"</b>                | : Has the meaning ascribed to it in the Listing Manual   |
| <b>"Associated Company"</b>       | : A company in which at least 20 per cent. (20%) but not more than 50 per cent. (50%) of its shares are held by the Company and/or its Subsidiaries and over whose management the Company has control, or such other company as may be permitted pursuant to the Listing Manual for the purposes of the Share Award Scheme |
| <b>"Audit and Risk Committee"</b> | : The Audit and Risk Committee of the Company  |
| <b>"Auditors"</b>                 | : The auditors of the Company for the time being   |
| <b>"Award"</b>                    | : A contingent award of Shares granted under the Share Award Scheme  |
| <b>"Bibace"</b>                   | : Bibace Investments Ltd   |
| <b>"Board"</b>                    | : The Board of Directors of the Company  |
| <b>"CDP"</b>                      | : The Central Depository (Pte) Limited   |
| <b>"Committee"</b>                | : A committee comprising Directors duly authorised and appointed by the Board to administer the Share Award Scheme   |
| <b>"Companies Act"</b>            | : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time   |
| <b>"Company" or "BTH"</b>         | : Banyan Tree Holdings Limited   |
| <b>"Constitution"</b>             | : The constitution of the Company for the time being   |
| <b>"control"</b>                  | : Has the meaning ascribed to it in the Listing Manual   |
| <b>"Controlling Shareholder"</b>  | : A person who holds directly or indirectly 15 per cent. (15%) or more of the total number of issued Shares (excluding treasury shares) (unless otherwise determined by the SGX-ST), or who in fact exercises control over the Company   |
| <b>"Directors"</b>                | : The directors of the Company for the time being  |
| <b>"EPS"</b>                      | : Earnings per Share   |
| <b>"ESOS 2006"</b>                | : The Banyan Tree Share Option Scheme approved and adopted by the Company on 28 April 2006   |
| <b>"Grant Date"</b>               | : In relation to an Award, the date on which the Award is granted pursuant to the rules of the Share Award Scheme  |
| <b>"Group"</b>                    | : The Company and its Subsidiaries; except that, in respect of the Share Award Scheme, the reference to <b>"Group"</b> shall, where the context admits, mean the Company, its Subsidiaries and its Associated Companies  |
| <b>"Group Executive"</b>          | : Any employee of the Group (including any Group Executive Director) selected by the Committee to participate in the Share Award Scheme in accordance with the rules of the Share Award Scheme   |
| <b>"Group Executive Director"</b> | : A director of the Company, its Subsidiaries and/or its Associated Companies, as the case may be, who performs an executive function  |
| <b>"IPT Mandate"</b>              | : The Shareholders' mandate for interested person transactions approved at the extraordinary general meeting of the Company held on 2 May 2006, as disclosed in the prospectus of the Company dated 26 May 2006, which Shareholders' mandate has subsequently been renewed on an annual basis                              |
| <b>"Latest Practicable Date"</b>  | : The latest practicable date prior to the printing of this Letter, being 16 March 2016  |

|  |   |
|--|---|
| <b>“Letter”</b>                                | : This Letter to Shareholders dated 12 April 2016   |
| <b>“Listing Manual”</b>                        | : The listing manual of the SGX-ST, as amended or modified from time to time  |
| <b>“Listing Rules”</b>                         | : The listing rules of the SGX-ST set out in the Listing Manual   |
| <b>“LRH”</b>                                   | : Laguna Resorts & Hotels Public Company Limited  |
| <b>“Market Day”</b>                            | : A day on which the SGX-ST is open for trading in securities   |
| <b>“Market Value”</b>                          | : In relation to a Share, on any day: (a) the volume-weighted average price of a Share on the SGX-ST over the three (3) immediately preceding days on which the Shares are traded on the SGX-ST; or (b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable |
| <b>“Nominating and Remuneration Committee”</b> | : The Nominating and Remuneration Committee of the Company  |
| <b>“Non-Executive Director”</b>                | : A director of the Company, its Subsidiaries and/or its Associated Companies, other than a Group Executive Director  |
| <b>“NTA”</b>                                   | : Net tangible assets   |
| <b>“Option”</b>                                | : The right to subscribe for Shares granted or to be granted pursuant to the rules of the Banyan Tree Share Option Scheme   |
| <b>“Participant”</b>                           | : Any eligible person who is selected by the Committee to participate in the Share Award Scheme in accordance with the rules of the Share Award Scheme  |
| <b>“Performance Condition”</b>                 | : In relation to an Award, the condition specified on the Grant Date in relation to that Award  |
| <b>“Performance Period”</b>                    | : In relation to an Award, a period, the duration of which is to be determined by the Committee on the Grant Date, commencing on the Start Date in relation to that Award, during which the Performance Condition is to be satisfied  |
| <b>“Plans”</b>                                 | : The ESOS 2006 and the PSP 2006  |
| <b>“PSP 2006”</b>                              | : The Banyan Tree Performance Share Plan approved and adopted by the Company on 28 April 2006   |
| <b>“PSP 2006 Award”</b>                        | : The right to receive Shares pursuant to the PSP 2006  |
| <b>“QH”</b>                                    | : Qatar Holding LLC   |
| <b>“Record Date”</b>                           | : The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares  |
| <b>“Registrar”</b>                             | : The Registrar of Companies  |
| <b>“Release”</b>                               | : In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with the rules of the Share Award Scheme and, to the extent that any Shares which are the subject of the Award are not released pursuant to the rules of the Share Award Scheme, the Award in relation to those Shares shall lapse accordingly, and <b>“Released”</b> shall be construed accordingly  |
| <b>“Release Schedule”</b>                      | : In relation to an Award, a schedule (if any) in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) (if any) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period(s) (if any)   |
| <b>“Released Award”</b>                        | : An Award in respect of which the Performance Period relating to that Award has ended and which has been released in accordance with the rules of the Share Award Scheme   |

|                                  |   |
|----------------------------------|---|
| <b>“Relevant Period”</b>         | : The period commencing from the date of the AGM, being the date on which the Share Buyback Mandate is passed, if approved by the Shareholders, and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date the resolution relating to the Share Buyback Mandate is passed |
| <b>“Retention Period”</b>        | : In relation to an Award, such period commencing on the Vesting Date in relation to that Award as may be determined by the Committee on the Grant Date   |
| <b>“Securities Account”</b>      | : Securities accounts maintained by depositors with CDP, but not including securities accounts maintained with a depository agent   |
| <b>“SGX-ST”</b>                  | : Singapore Exchange Securities Trading Limited   |
| <b>“Share Award Scheme”</b>      | : The Banyan Tree Share Award Scheme 2016 proposed to be adopted by the Company, as the same may be modified or altered from time to time   |
| <b>“Shareholders”</b>            | : Registered holders for the time being of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the depositors whose Securities Accounts are credited with Shares  |
| <b>“Share Buyback Mandate”</b>   | : General and unconditional mandate given by Shareholders to authorise the Directors to purchase Shares in accordance with the terms set out in this Letter as well as the rules and regulations set forth in the Companies Act and the Listing Manual  |
| <b>“Share Buybacks”</b>          | : Share buybacks undertaken by the Company of up to one per cent. (1%) of the total number of issued Shares (excluding treasury shares)   |
| <b>“Shares”</b>                  | : Ordinary shares in the share capital of the Company   |
| <b>“Start Date”</b>              | : In relation to an Award, the start of the Performance Period specified by the Committee on the Grant Date of that Award   |
| <b>“Subsidiary”</b>              | : A company which is for the time being a subsidiary of the Company as defined by Section 5 of the Companies Act  |
| <b>“Substantial Shareholder”</b> | : A person who has an interest in not less than five per cent. (5%) of the issued voting shares of the Company  |
| <b>“Take-over Code”</b>          | : The Singapore Code on Take-overs and Mergers, as amended or modified from time to time  |
| <b>“Vesting”</b>                 | : In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “ <b>Vest</b> ” and “ <b>Vested</b> ” shall be construed accordingly   |
| <b>“Vesting Date”</b>            | : In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to the rules of the Share Award Scheme   |
| <b>“S\$” and “cents”</b>         | : Singapore dollars and cents, respectively   |
| <b>“%” or “per cent.”</b>        | : Per centum or percentage  |

The terms “**depositor**”, “**Depository Register**” and “**depository agent**” shall have the meanings ascribed to them respectively in the Securities and Futures Act (Chapter 289 of Singapore) in force as at the Latest Practicable Date.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing any one gender shall, where applicable, include the other genders. References to persons shall include corporations.

Any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Letter shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be. Summaries of the provisions of any laws and regulations (including the Take-over Code and Listing Rules) contained in this Letter are of such laws and regulations (including the Take-over Code and Listing Rules) as at the Latest Practicable Date.

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

Any discrepancies in this Letter between the listed amounts and the totals thereof and/or the respective percentages are due to rounding.



# Appendix 1 – Shareholders’ Mandate For Interested Person Transactions

## 1. IPT MANDATE

### 1.1 Rationale for the IPT Mandate

The transactions with interested persons are entered into or to be entered into by the EAR Group in the ordinary course of business. They are recurring transactions which are likely to occur with some degree of frequency and arise at any time and from time to time. The IPT Mandate is intended to facilitate these transactions, provided that they are carried out on normal commercial terms and are not prejudicial to the Company and its minority Shareholders.

If approved by Shareholders at the AGM or any adjournment thereof, the proposed IPT Mandate will take effect from the date of receipt of Shareholders’ approval at the AGM until the next AGM, and shall apply in respect of interested person transactions entered or to be entered into from the date of the AGM until the next AGM, unless revoked or varied by the Company in general meeting. Thereafter, it is intended that approval from Shareholders for a renewal of the IPT Mandate will be sought on an annual basis, subject to satisfactory review by the Audit and Risk Committee of its continued application to transactions with interested persons.

### 1.2 Scope of the IPT Mandate

The IPT Mandate will cover a wide range of transactions arising in the ordinary course of business operations of the EAR Group. The principal activities of the Group are those of investment holding, hotel investments, hotel, fund and club management, provision of project design and management services, spa operations and property sales. Other ancillary businesses are gallery operations and golf course operations.

The IPT Mandate will not cover any interested person transaction which has a value below S\$100,000 as the threshold and aggregation requirements of Chapter 9 of the Listing Manual do not apply to such transactions.

Transactions with interested persons which do not come within the ambit of the IPT Mandate (including any renewal thereof) will be subject to the applicable provisions of Chapter 9 of the Listing Manual.

### 1.3 Benefit of the IPT Mandate

The Directors are of the view that the Group will be able to benefit from such transactions with interested persons.

In view of the time-sensitive nature of commercial transactions, it would be advantageous to the Group to obtain and renew a Shareholders’ mandate to enter into certain interested person transactions in its normal course of business, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the Company and its minority Shareholders. The IPT Mandate and the renewal of the IPT Mandate on an annual basis will eliminate the need to convene separate general meetings from time to time to seek Shareholders’ approval as and when potential interested person transactions with the interested persons arise, thereby reducing substantially, the administrative time, inconvenience and expense associated with the convening of such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

Pursuant to Rules 907 and 920(1) of the Listing Manual, the Company will:

- (a) announce the aggregate value of interested person transactions entered into with interested persons pursuant to the IPT Mandate, for the quarterly financial periods which it is required to report on pursuant to Rule 705 of the Listing Manual, and within the time required for the announcement of such report; and
- (b) disclose the IPT Mandate in the Annual Report of BTH, giving details of the aggregate value of interested person transactions entered into during the financial year under review in the Annual Report.

The name of the interested person and the corresponding aggregate value of the interested person transactions entered into with the same interested person will be presented in the following format:

| <b>Name of interested person</b> | <b>Aggregate value of all interested person transactions entered into during the financial year under review (excluding transactions of value less than S\$100,000 and transactions entered into pursuant to the IPT Mandate)</b> | <b>Aggregate value of all interested person transactions entered into under the IPT Mandate during the financial year under review (excluding transactions of value less than S\$100,000)</b> |
|----------------------------------|---|---|
|----------------------------------|---|---|

## 2. CLASSES OF INTERESTED PERSONS

The IPT Mandate will apply to the EAR Group’s interested person transactions carried out with:

- (a) the TR Group;
- (b) Phuket Hotel Limited;
- (c) Thai Wah Public Company Limited; and
- (d) United Insulation Services Pte. Ltd..

### 3. CATEGORIES OF INTERESTED PERSON TRANSACTIONS

The types of transactions with interested persons (as described in paragraph 2 above) to which the IPT Mandate applies and the benefits to be derived therefrom are set out below:

- (a) provision of management and related services such as reservation and procurements services for the management of resorts, hotels, golf courses and spas;
  - (b) consignment of merchandise for sale in the Banyan Tree and Angsana Gallery outlets;
  - (c) retail sales of Banyan Tree gallery vouchers and “Banyan Tree” merchandise;
  - (d) lease of premises for spa operations and office use;
  - (e) profit sharing returns in respect of units leased at resorts;
  - (f) supply of goods such as guest amenities;
  - (g) obtaining corporate secretarial services; and
  - (h) reimbursement of expenses relating to costs and expenses incurred by the EAR Group and/or on its behalf in connection with the provision of management and other services,
- (the “Mandated IPTs”).

### 4. REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

4.1 To ensure that the Mandated IPTs are undertaken on normal commercial terms and on an arm’s length basis which will not be prejudicial to the Company’s interests and the interests of minority Shareholders, the following procedures have been implemented for the review and approval of interested person transactions under the IPT Mandate:

- (a) in respect of management agreements and/or technical assistance agreements for the management of resorts, hotels, golf courses and spas, spa lease/spa services agreements, consignment agreements, supply of goods and the sale of retail products, the EAR Group will make comparisons of the terms of these agreements with similar agreements entered into with unrelated third parties or in the absence of such agreements with unrelated third parties, the EAR Group will seek advice from industry consultants on the prevailing market practice or industry norms, to ensure that all such transactions will be consistent with the prevailing market practice or industry norms or the Group’s normal commercial terms and usual business practices and policies for the applicable transactions;
- (b) in respect of any new or subsequent renewal of any leases, a valuation conducted by independent property valuers on the premises at the time of the entry or the renewal of leases to assess its open market rental value and information gathered from independent property agents as to the rental rates of comparable properties will be used as comparison, wherever possible. The new leases and any renewal of leases shall be at rentals not higher than market rentals;
- (c) in respect of the provision of reservation services, procurement services or the receipt of corporate secretarial services or the recovery of costs associated with such services, the EAR Group will make comparisons of the terms of these arrangements with similar arrangements entered into with unrelated third parties or in the absence of such arrangements with unrelated third parties, the EAR Group will seek advice from industry consultants on the prevailing market practice or industry norms to ensure that, the provision of such services or receipt of such services shall be consistent with the prevailing market practice or industry norms or the Group’s normal commercial terms and in accordance with its usual business practices and policies for the applicable transactions; and
- (d) in cases where it is not possible to obtain comparables from unrelated third parties, the EAR Group may enter into a transaction with an interested person, provided that the price and terms received from or given to the interested person are in accordance with prevailing business practices or industry norms and/or rates or prices which are consistent with the Group’s usual margin associated with similar volume of business or on terms which the Audit and Risk Committee considers to be on normal commercial terms and are not prejudicial to the Company or its minority Shareholders.

4.2 In addition to the review procedures, the Group will review and approve the Mandated IPTs as follows:

- (a) transactions equal to or exceeding three per cent. (3%), but less than five per cent. (5%) of the latest audited consolidated NTA after minority interests (also known as non-controlling interests) of the Group, will be reviewed and approved by any two (2) of the Directors; and
- (b) transactions equal to or exceeding five per cent. (5%) of the latest audited consolidated NTA after minority interests (also known as non-controlling interests) of the Group, will be reviewed and approved by the Audit and Risk Committee and the Board which may, as it deems fit, request for additional information pertaining to the transaction from independent sources or advisers, including the obtaining of valuations from professional valuers.

4.3 In addition, the Audit and Risk Committee will include the review of the EAR Group’s interested person transactions as part of its standard procedures while examining the adequacy of the Group’s internal controls. In the event that a member of the Board, a member of the Audit and Risk Committee or an authorised reviewing officer (where applicable) has a conflict of interest in relation to any interested person transaction, he will abstain from reviewing that particular transaction. In such instances, an alternative approving authority will be responsible for reviewing the transaction. The Board will also ensure that all disclosure requirements on interested person transactions, including those required by prevailing legislation, the

Listing Manual and accounting standards, are complied with. The annual internal audit plan shall incorporate a review of all interested person transactions entered into pursuant to the IPT Mandate.

- 4.4 The Audit and Risk Committee shall review the internal audit reports to ascertain whether the guidelines and procedures established to monitor interested person transactions have been complied with. In addition, the Audit and Risk Committee shall also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that the Mandated IPTs are conducted on normal commercial terms. Further, if during these periodic reviews by the Audit and Risk Committee, the Audit and Risk Committee is of the view that the guidelines and procedures as stated above are not sufficient to ensure that these interested person transactions will be on normal commercial terms and will not be prejudicial to the Company and its minority Shareholders, the Company will (pursuant to Rules 920(1)(b) (iv) and (vii) of the Listing Manual) revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with interested persons.
- 4.5 The Board shall have overall responsibility for the determination of the review procedures with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate.
- 4.6 The Company has also implemented the following procedures for the identification of interested persons and the recording of all the EAR Group's interested person transactions:
- (a) the Company Secretary will maintain a list of the Directors and controlling shareholders and their respective associates (which is to be updated immediately if there are any changes), and disclose the list to relevant personnel to enable identification of interested persons. The master list of interested persons which is maintained shall be reviewed at least annually;
  - (b) the Company Secretary will also obtain signed letters of confirmation from key management personnel, controlling shareholders and Directors on an annual basis as to their interests in any transaction with the EAR Group;
  - (c) following the review and verification by the Internal Audit Department of interested person transactions, the Company Secretary will compile all the interested person transactions prior to submission to the Audit and Risk Committee. The Company's subsidiaries and associated companies will be required to inform the Company Secretary of any significant upcoming transactions with interested persons to facilitate timely announcements and/or the obtaining of Shareholders' approval, where necessary;
  - (d) the rationale for and analysis of interested person transactions shall be documented and filed in a register of interested person transactions (the "**Interested Person Transactions Register**");
  - (e) following the review and verification by the Internal Audit Department of the interested person transactions, further review of the interested person transactions is to be conducted by the Group Managing Director as well as the Chief Financial Officer<sup>2</sup> of the Company, and shall comprise the comparison of the interested person transactions arrangement with industry practice and other customers. If either the Group Managing Director or the Chief Financial Officer of the Company is interested in a transaction or if the interested person is related to either the Group Managing Director or the Chief Financial Officer of the Company, the review shall be conducted by the Executive Chairman. Notwithstanding the foregoing, the review shall be conducted by the Audit and Risk Committee under the following circumstances:
    - (i) the Group Managing Director and the Chief Financial Officer of the Company are both interested in a transaction or if the interested person is related to both the Group Managing Director and the Chief Financial Officer of the Company; or
    - (ii) where the Executive Chairman is required to conduct the review but is interested in the transaction or if the interested person is related to the Executive Chairman;
  - (f) the Audit and Risk Committee will be responsible for reviewing the EAR Group's interested person transactions on a quarterly basis and the outcome of such review shall be documented and filed in the Interested Person Transactions Register; and
  - (g) the Board will also be responsible for obtaining Shareholders' approval for recurring interested person transactions which are carried out in the normal course of business.

## **5. REVIEW OF NON-MANDATED INTERESTED PERSON TRANSACTIONS AND REVIEW BY THE AUDIT AND RISK COMMITTEE**

All other existing and future interested person transactions not subject to the IPT Mandate will be reviewed and approved in accordance with the threshold limits set out above and where applicable, in accordance with the limits set out under Chapter 9 of the Listing Manual, to ensure that they are carried out on normal commercial terms and are not prejudicial to the Company's interests and the interests of its minority Shareholders. In the event that such interested person transactions require the approval of the Board and the Audit and Risk Committee, relevant information will be submitted to the Board or the Audit and Risk Committee for review. In the event that such interested person transactions require the approval of Shareholders, additional information may be required to be presented to Shareholders and an independent financial adviser may be appointed for an opinion.

The Audit and Risk Committee will also review all interested person transactions to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Listing Manual) are complied with. The Company will also endeavour to comply with the recommendations set out in the Code of Corporate Governance.

<sup>2</sup> As at the date of the Letter, the position of Group Managing Director of the Company is vacant. As such, the Chief Financial Officer will be responsible for conducting the further review of the interested person transactions referred to in paragraph 4.6(e), and the IPT Mandate should be read accordingly.

# Appendix 2

## – Rules of The Share Award Scheme

### 1. NAME OF THE SCHEME

The Scheme shall be called the “Banyan Tree Share Award Scheme 2016”.

### 2. DEFINITIONS

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

|                            |   |
|----------------------------|---|
| “Act”                      | The Companies Act (Chapter 50 of Singapore), as amended or modified from time to time.  |
| “Adoption Date”            | The date on which the Scheme is adopted by the Company in general meeting.  |
| “Associated Company”       | A company in which at least twenty per cent. (20%) but not more than fifty per cent. (50%) of its shares are held by the Company and/or its Subsidiaries and over whose management the Company has control, or such other company as may be permitted pursuant to the Listing Manual for the purposes of the Scheme.  |
| “Auditors”                 | The auditors of the Company for the time being.   |
| “Award”                    | A contingent award of Shares granted under the Scheme.  |
| “Award Letter”             | A letter in such form as the Committee shall approve, confirming an Award granted to a Participant by the Committee.  |
| “Board”                    | The board of Directors of the Company.  |
| “CDP”                      | The Central Depository (Pte) Limited.   |
| “Committee”                | A committee comprising Directors duly authorised and appointed by the Board to administer the Scheme.   |
| “Company”                  | Banyan Tree Holdings Limited, a company incorporated in the Republic of Singapore.  |
| “Constitution”             | The constitution of the Company for the time being.   |
| “CPF”                      | Central Provident Fund.   |
| “Director(s)”              | The directors of the Company, or where applicable, any of them.   |
| “Grant Date”               | In relation to an Award, the date on which the Award is granted pursuant to Rule 5.   |
| “Group”                    | The Company, its Subsidiaries and its Associated Companies.   |
| “Group Executive”          | Any employee of the Group (including any Group Executive Director) selected by the Committee to participate in the Scheme in accordance with Rule 4.1.  |
| “Group Executive Director” | A director of the Company, its Subsidiaries and/or its Associated Companies, as the case may be, who performs an executive function.  |
| “Listing Manual”           | The Listing Manual of the SGX-ST, as amended or modified from time to time.   |
| “Market Value”             | In relation to a Share, on any day:<br>(a) the volume-weighted average price of a Share on the SGX-ST over the three (3) immediately preceding Trading Days; or<br>(b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable. |
| “Non-Executive Director”   | A director of the Company, its Subsidiaries and/or its Associated Companies, other than a Group Executive Director.   |
| “Participant”              | A Group Executive or a Non-Executive Director who has been granted an Award.  |
| “Performance Condition”    | In relation to an Award, the condition specified on the Grant Date in relation to that Award.   |
| “Performance Period”       | In relation to an Award, a period, the duration of which is to be determined by the Committee on the Grant Date, commencing on the Start Date in relation to that Award, during which the Performance Condition is to be satisfied.   |
| “Release”                  | In relation to an Award, the release at the end of the Performance 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.  |

|                       |  |
|-----------------------|--|
| "Release Schedule"    | In relation to an Award, a schedule (if any) in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) (if any) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period(s) (if any). |
| "Released Award"      | An Award in respect of which the Performance Period relating to that Award has ended and which has been released in accordance with Rule 7.  |
| "Retention Period"    | In relation to an Award, such period commencing on the Vesting Date in relation to that Award as may be determined by the Committee on the Grant Date.   |
| "Scheme"              | The Banyan Tree Share Award Scheme 2016, adopted or to be adopted by the Company, as amended or modified from time to time.  |
| "Securities Accounts" | Securities accounts maintained by depositors with CDP, but not including securities accounts maintained with a depository agent.   |
| "SGX-ST"              | Singapore Exchange Securities Trading Limited.   |
| "Shareholders"        | The registered holders of Shares, except that where the registered holder is CDP, the term "Shareholders" shall, in relation to those Shares, mean the depositors whose Securities Accounts are credited with Shares.  |
| "Shares"              | Ordinary shares in the share capital of the Company.   |
| "Stock Exchange"      | The SGX-ST or any other stock exchange on which the Shares are quoted or listed.   |
| "Subsidiary"          | A company which is for the time being a subsidiary of the Company as defined by Section 5 of the Act.  |
| "Start Date"          | In relation to an Award, the start of the Performance Period specified by the Committee on the Grant Date of that Award.   |
| "Trading Day"         | A day on which the Shares are traded on the Stock Exchange.  |
| "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 Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7.  |
| "%" or "per cent."    | Per centum or percentage.  |

2.2 For purposes of the Scheme:

- (a) the terms "depositor", "depository agent" and "Depository Register" shall have the meanings ascribed to them respectively in the Securities and Futures Act (Chapter 289 of Singapore); and
- (b) the terms "associate", "controlling shareholder" and "control" shall have the meanings ascribed to them by the Listing Manual or any other publication prescribing rules or regulations for corporations admitted to the Official List of the SGX-ST (as modified, supplemented or amended from time to time).

2.3 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.

2.4 Any reference to a time of a day in the Scheme is a reference to Singapore time.

2.5 Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Unless the context requires otherwise, any word defined under the Act or the Listing Manual (or any modification thereof) and used in the Scheme shall have the meaning assigned to it under the Act or the Listing Manual as the case may be.

### 3. OBJECTIVES OF THE SCHEME

The Scheme is a share incentive scheme. The objective of the Scheme is to motivate senior executives to achieve favourable financial and operating results in their respective business units to contribute to the growth of the Group. The Scheme will give Participants an opportunity to have a personal equity interest in the Company at no direct cost to its profitability and will help to achieve the following positive objectives:

- (a) the retention of key employees of the Group whose contributions are essential to the long-term growth and profitability of the Group; and
- (b) to align the interests of the Participants with the interests of the Shareholders.

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

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

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

provided that, as at the Grant Date, such persons have attained the age of twenty-one (21) years, are not undischarged bankrupts and have not entered into any composition(s) with their respective creditors, and in the case of Group Executives, whose employment in the relevant company within the Group has been confirmed and who has completed at least 12 continuous months of service as at 2 January of the year in which the Grant Date falls.

4.2 Subject to Rule 4.3, controlling shareholders of the Company and persons who are associates of such controlling shareholders (including but not limited to Mr Ho KwonCjan and Ms Claire Chiang See Ngoh) who have contributed to the success and development of the Group are, subject to the absolute discretion of the Committee, eligible to participate in the Scheme provided that the participation by each such controlling shareholder or associate and each grant of Awards to any one of them may be effected only with the specific prior approval of Shareholders at a general meeting in separate resolutions. The Company will at such time provide the rationale and justification for any proposal to grant Awards to controlling shareholders of the Company or their associates.

4.3 For the avoidance of doubt, insofar as Mr Ho KwonPing is a controlling shareholder of the Company, he shall not be entitled to participate in the Scheme.

4.4 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by the Company or any other companies within the Group.

4.5 Subject to the Act and any requirement of the Stock Exchange, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

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

5.1 Subject as provided in Rule 8 and the Listing Manual, the Committee may grant Awards to Group Executives and/or Non-Executive Directors, in each case, as the Committee may select, in its absolute discretion, at any time during the period when the Scheme is in force.

5.2 The number of Shares which are the subject of each Award to be granted to a Group Executive and/or a Non-Executive Director in accordance with the Scheme shall be determined at the absolute discretion of the Committee, which shall take into account, in respect of a Group Executive, criteria including but not limited to his job performance, level of responsibility and his potential for future development, and, in respect of a Non-Executive Director, criteria including but not limited to his contribution to the success and development of the Group.

5.3 The Committee shall decide in relation to an Award:

- (a) the Participant;
- (b) the Grant Date;
- (c) the Start Date;
- (d) the Performance Period(s);
- (e) the number of Shares which are the subject of the Award;
- (f) the Performance Condition(s) (if any);
- (g) the Release Schedule (if any);
- (h) the Retention Period (if any); and
- (i) any other condition which the Committee may determine in relation to the Award.

5.4 The Committee may amend or waive the Performance Period(s), the Performance Condition(s), the Release Schedule and/or the Retention Period in respect of any Award:

- (a) in the event of a take-over offer being made for the Shares or if, under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or in the event of a proposal to liquidate (other than as provided in Rule 6.1(c) or in connection with a scheme for the reconstruction of the Company or its amalgamation) or sell all or substantially all of the assets of the Company; or
- (b) if anything happens which causes the Committee to conclude that:

- (i) a changed Performance Condition and/or Release Schedule would be a fairer measure of performance, and would be no less difficult to satisfy; or
- (ii) the Performance Condition(s) and/or Release Schedule should be waived, and shall notify the Participants of such change or waiver.

- 5.5 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:
- (a) the Grant Date;
  - (b) the Start Date;
  - (c) the Performance Period(s);
  - (d) the number of Shares which are the subject of the Award;
  - (e) the Performance Condition(s) (if any);
  - (f) the Release Schedule (if any);
  - (g) the Retention Period (if any); and
  - (h) any other condition which the Committee may determine in relation to the Award.

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

5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer of the Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award, that Award or Released Award shall immediately lapse.

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

6.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:

- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its absolute discretion;
- (b) subject to Rules 6.2(b), 6.2(d) and 6.2(e), where the Participant is a Group Executive, upon the Participant ceasing to be in the employment of the relevant company within the Group, for any reason whatsoever (unless the Committee determines otherwise); or
- (c) upon an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purpose of Rule 6.1(b), unless the Committee determines otherwise (in its absolute discretion), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

6.2 In any of the following events, namely:

- (a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;
- (b) where the Participant, being a Group Executive, ceases to be in the employment of the relevant company within the Group, as the case may be, by reason of:
  - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
  - (ii) redundancy;
  - (iii) retirement at or after the legal retirement age; or
  - (iv) retirement before the legal retirement age with the consent of the Committee;
- (c) where a Participant, being a Non-Executive Director, ceases to be a Director or, as the case may be, a director of any Subsidiary or Associated Company of the Company, for any reason whatsoever;
- (d) the death of the Participant; or
- (e) any other event approved by the Committee,

an Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company, unless otherwise determined by the Committee in its absolute discretion. In exercising such discretion, the Committee may, *inter alia*, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period(s) and/or to adjust any Performance Period(s).

6.3 Without prejudice to the provisions of Rule 5.4, if before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies under the Act; or
- (c) the Shareholders pass a resolution for a members' solvent voluntary winding-up (other than for amalgamation or reconstruction),

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

## **7. RELEASE OF AWARDS**

### **7.1 Review of Performance Condition(s)**

- (a) As soon as reasonably practicable after the end of each Performance Period(s), the Committee shall review the Performance Condition(s) (if any) specified in respect of each Award and determine whether it has been satisfied and, if so, the extent to which it has been satisfied (whether fully or partially) or exceeded, and provided that the relevant Participant has continued to be a Group Executive or a Non-Executive Director, as the case may be, from the Grant Date up to the end of the Performance Period, shall Release to that Participant the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

The Committee shall have the absolute discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make reference to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further, the right to amend the Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

- (b) Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Trading Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1(a) and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares (which may, in the case of a transfer of Shares, include Shares held by the Company in treasury) so determined.
- (c) Where new Shares are allotted and issued and/or existing Shares are transferred upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment and issue and/or transfer, apply to the Stock Exchange for permission to deal in and for quotation of such Shares.

### **7.2 Shares allotted or transferred on Release of Award**

Shares which are allotted and issued and/or transferred on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the Securities Account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a depository agent or the CPF investment account maintained with a CPF agent bank, in each case, as designated by that Participant.

### **7.3 Ranking of Shares**

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

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

“Record Date” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

### **7.4 Cash Awards**

The Committee may determine to make a Release of Award, wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive, within such reasonable period after the Vesting Date, in lieu of all or part of the Shares which would otherwise have been allotted or transferred to him on Release of his Award, the aggregate Market Value of such Shares on the Vesting Date.

### **7.5 Moratorium**

Shares which are allotted or transferred on the Release of an Award to a Participant shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee.



## **8. LIMITATION ON THE SIZE OF THE SCHEME**

- 8.1 The total number of Shares which may be issued and/or transferred pursuant to Awards granted under the Scheme, when added to the total number of Shares issued and issuable and/or existing Shares transferred and transferrable in respect of:
- (a) all Awards granted under the Scheme; and
  - (b) all Shares, options or awards granted under any share scheme of the Company then in force,
- shall not exceed five per cent. (5%) of the total number of issued Shares (excluding treasury shares) on the day preceding the relevant date of the Award.
- 8.2 The aggregate number of Shares available to controlling shareholders and their associates shall not exceed twenty-five per cent. (25%) of the Shares available under the Scheme. The number of Shares available to each controlling shareholder or his associate shall not exceed ten per cent. (10%) of the Shares available under the Scheme.
- 8.3 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Scheme.

## **9. ADJUSTMENT EVENTS**

- 9.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place, or if the Company shall make a capital distribution or a declaration of special dividend (whether interim or final and whether in cash or *in specie*), then the Committee may as it deems appropriate, determine whether:
- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
  - (b) the class and/or number of Shares in respect of which future Awards may be granted under the Scheme,
- shall be adjusted and if so, the manner in which such adjustment shall be made.
- 9.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or upon the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the Stock Exchange 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:
- (a) no adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive; and
  - (b) any adjustment (except in relation to a capitalisation issue) 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 required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly-appointed personal representatives where applicable) in writing and deliver to him (or his duly-appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given.

## **10. ADMINISTRATION OF THE SCHEME**

- 10.1 The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him or to his associates.
- 10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme, to give effect to the provisions of the Scheme and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as they may, in their absolute discretion, think fit. Any matter pertaining or pursuant to the Scheme and any dispute and uncertainty as to the interpretation of the Scheme, any rule, regulation or procedure thereunder or any rights under the Scheme shall be determined by the Committee.
- 10.3 Neither the Scheme nor the grant of Awards under the Scheme shall impose on the Company or the Committee any liability whatsoever in connection with:
- (a) the lapsing of any Awards pursuant to any provision of the Scheme;
  - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Scheme; and/or
  - (c) any decision or determination of the Committee made pursuant to any provision of the Scheme.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including, for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Scheme or any rule, regulation or procedure hereunder or as to any rights under the Scheme). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

## **11. NOTICES**

- 11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.
- 11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

## **12. MODIFICATIONS TO THE SCHEME**

- 12.1 Any or all the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:
- (a) no modification or alteration shall adversely affect the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Condition(s) for their Awards being satisfied in full, would become entitled to not less than three-quarters of the aggregate number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Condition(s) for all such outstanding Awards being satisfied in full;
  - (b) the definitions of "Associated Company", "controlling shareholder", "Group Executive", "Group Executive Director", "Participant" and "Performance Period" and the provisions of Rules 4, 5, 6, 7, 8, 9, 10 and this Rule 12 shall not be altered to the advantage of Participants except with the prior approval of the Shareholders in general meeting; and
  - (c) no modification or alteration shall be made without the prior approval of the Stock Exchange and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the Scheme to amend or adjust any Award.

- 12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and, without other formality, save for the prior approval of the Stock Exchange) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the Stock Exchange).
- 12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

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

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

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

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

## **15. TAXES**

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

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

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

## **17. DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained, the Company, its Directors or employees or the Committee shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the Stock Exchange in accordance with Rule 7.1(c).

## **18. DISCLOSURE IN ANNUAL REPORT**

The following disclosures (as applicable) will be made by the Company in its Annual Report for so long as the Scheme continues in operation and as from time to time required by the Stock Exchange:

- (a) the names of the members of the Committee administering the Scheme;
- (b) in respect of the following Participants:
- (i) Directors;
  - (ii) controlling shareholders and their associates; and
  - (iii) Participants, other than those in Rules 18(b)(i) and 18(b)(ii), who have been granted Awards under the Scheme and/or who have received Shares pursuant to the Release of Awards granted under the Scheme which, in aggregate, represent five per cent. (5%) or more of the total number of Shares available under the Scheme,
- the following information:
- (A) the name of the Participant;
- (B) the following particulars relating to Shares delivered pursuant to Awards Released under the Scheme:
- (1) the number of Shares comprised in Awards granted to such Participant during the financial year under review (including terms);
  - (2) the aggregate number of Shares comprised in Awards granted to such Participant since the commencement of the Scheme to the end of the financial year under review;
  - (3) the aggregate number of Shares comprised in Awards granted to such Participant that have been Vested since the commencement of the Scheme to the end of the financial year under review; and
  - (4) the aggregate number of Shares comprised in Awards granted to such Participant that are outstanding as at the end of the financial year under review; and
- (c) such other information as may be required by the Listing Manual or the Act.

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

## **19. ABSTENTION FROM VOTING**

Shareholders who are eligible to participate in the Scheme and Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the Scheme. Participants may act as proxies of Shareholders in respect of the votes of such Shareholders in relation to any such resolution, provided that specific instructions have been given in the proxy form on how the votes are to be cast in respect of the resolution.

## **20. DISPUTES**

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

## **21. GOVERNING LAW**

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

## **22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT (CHAPTER 53B OF SINGAPORE)**

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

