

CIRCULAR DATED 13 APRIL 2016

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

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your ordinary shares in the capital of TalkMed Group Limited ("**Company**"), you should immediately forward this Circular, the enclosed Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Hong Leong Finance Ltd (the "**Sponsor**"), for compliance with the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this Circular including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements made, opinions expressed or reports contained in this Circular.

This Circular has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made, or reports contained in this Circular.

The contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance, Hong Leong Finance Limited, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, telephone: (65) 6415 9886.



TALKMED GROUP LIMITED

(Company Registration No. 201324565Z)
(Incorporated in Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- 1. THE PROPOSED ADOPTION OF THE TALKMED GROUP EMPLOYEE SHARE OPTION SCHEME;**
- 2. THE PROPOSED GRANT OF OPTIONS UNDER THE TALKMED GROUP EMPLOYEE SHARE OPTION SCHEME AT A DISCOUNT;**
- 3. THE PROPOSED PARTICIPATION OF THE CONTROLLING SHAREHOLDER, DR ANG PENG TIAM IN THE TALKMED GROUP EMPLOYEE SHARE OPTION SCHEME;**
- 4. THE PROPOSED ADOPTION OF THE TALKMED GROUP PERFORMANCE SHARE PLAN; AND**
- 5. THE PROPOSED PARTICIPATION OF THE CONTROLLING SHAREHOLDER, DR ANG PENG TIAM IN THE TALKMED GROUP PERFORMANCE SHARE PLAN.**

IMPORTANT DATES AND TIMES:--

Last date and time for lodgement of Proxy Form	:	26 April 2016 at 6.30 p.m.
Date and time of Extraordinary General Meeting	:	28 April 2016 at 6.30 p.m. (or as soon as practicable following the conclusion of the annual general meeting of the Company to be held at 6.00 p.m. on the same day and at the same venue)
Place of Extraordinary General Meeting	:	Alumni Association, The Alumni Medical Centre, 2 College Road, Singapore 169850

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires:–

- “Act” or “Companies Act” : Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
- “Associate” or “Associates” : (A) in relation to any Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means:–
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more; and
- (B) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more
- “Auditors” : The auditors of the Company for the time being
- “Award” or “Awards” : A contingent award of Shares granted under the Share Plan
- “Board” : The board of Directors of the Company
- “Business Day” : A day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore
- “Catalist” : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules” : Section B, the listing manual of the SGX-ST, as amended, supplemented or modified from time to time
- “CDP” : The Central Depository (Pte) Limited
- “CEO” : Chief Executive Officer
- “Circular” : This circular to Shareholders dated 13 April 2016
- “Company” : TalkMed Group Limited

DEFINITIONS

“Controlling Shareholder”	:	A person who:– (a) holds directly or indirectly 15% or more of all voting shares (excluding treasury shares) in the Company, unless determined by SGX-ST that such person is not a controlling shareholder; or (b) in fact exercises control over the Company
“Date of Grant”	:	The date on which an Option is granted pursuant to the Scheme or an Award is granted pursuant to the Share Plan (as the case may be)
“Director” or “Directors”	:	A director of the Company as at the date of this Circular and the term “Directors” shall be construed accordingly
“Discount Option”	:	The right to subscribe for Shares granted as to be granted pursuant to the Scheme and for the time being subsisting, and in respect of which the Exercise Price is determined in accordance to Rule 9 of the Scheme
“Dr Ang”	:	Dr Ang Peng Tiam, who is the Executive Director, CEO and the Controlling Shareholder of the Company
“Employee”	:	A confirmed full-time employee of the Group
“EGM”	:	The Extraordinary General Meeting of the Company, notice of which is set out on pages N-1 to N-4 of this Circular, to be held on 28 April 2016 at 6.30 p.m. (or as soon as practicable following the conclusion of the annual general meeting of the Company to be held at 6.00 p.m. on the same day and at the same venue)
“EPS”	:	Earnings per Share
“ESOS Committee”	:	The committee designated to administer the Scheme, shall comprise Mr Chandra Das s/o Rajagopal Sitaram, Mr Sitoh Yih Pin, Mr Lim Teong Jin George and Dr Ang
“Executive Director”	:	A Director who is an Employee of the Group and performs an executive function, excluding Directors who are Controlling Shareholders and Directors who are Associates of Controlling Shareholders

DEFINITIONS

“Exercise Period”	:	The period during which an Option is exercisable being:– (a) in the case of a Market Price Option, a period commencing after the first anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the ESOS Committee) or such other period which may from time to time be prescribed under any relevant law, regulation or the rule of the SGX-ST, subject as provided in Rules of the Scheme and any other conditions as may be introduced by the ESOS Committee from time to time; and (b) in the case of a Discount Option, a period commencing after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the ESOS Committee) or such other period which may from time to time be prescribed under any relevant law, regulation or rule of the SGX-ST, subject as provided in Rules of the Scheme and any other conditions as may be introduced by the ESOS Committee from time to time
“Exercise Price”	:	The price at which a Participant of the Scheme shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 9(A)(i) of the Scheme in relation to a Market Price Option or Rule 9(A)(ii) of the Scheme in relation to a Discount Option, as adjusted in accordance with Rule 10 of the Scheme
“FY”	:	Financial year
“Group”	:	The Company and its Subsidiaries
“Independent Director”	:	An independent Director of the Company
“Latest Practicable Date”	:	31 March 2016
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, supplemented or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Price”	:	A price equal to the average of the last dealt prices for the Shares on the SGX-ST over the thirty (30) consecutive Market Days immediately preceding the Date of Grant of that Option, as determined by the ESOS Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices

DEFINITIONS

“Market Price Option”	:	The right to subscribe for Shares granted or to be granted pursuant to the Scheme and for the time being subsisting, and in respect of which the Exercise Price is determined in accordance with Rules of the Scheme
“New Shares”	:	The New Shares which may be allotted and issued from time to time pursuant to an Option under the Scheme and/or an Award under the Share Plan
“Non-Executive Director”	:	A Director other than an Executive Director
“Notice of EGM”	:	The notice of EGM as set out on pages N-1 to N-4 of this Circular
“NTA”	:	Net tangible assets of the Group
“Option”	:	A Market Price Option and/or a Discount Option, as the case may be
“Participant”	:	The person(s) who may be selected by the ESOS or PSP Committee to be granted an Option pursuant to the Scheme or an Award pursuant to the Share Plan
“Proposals”	:	Shall have the meaning as set out in section 1 of this Circular
“PSP Committee”	:	The committee designated to administer the Share Plan, shall comprise Mr Chandra Das s/o Rajagopal Sitaram, Mr Sitoh Yih Pin, Mr Lim Teong Jin George and Dr Ang
“Record Date”	:	In relation to any dividends, rights allotment or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Register of Members”	:	The register of members of the Company
“Release Schedule”	:	In relation to an Award, a schedule in such form as the PSP Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be released on the performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period
“Rules of the Scheme”	:	Rules of the Scheme as set out in the Appendix I of this Circular and any reference to a particular rule shall be construed accordingly

DEFINITIONS

“Rules of the Share Plan”	:	Rules of the Share Plan as set out in the Appendix II of this Circular and any reference to a particular rule shall be construed accordingly
“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“Scheme”	:	The proposed TalkMed Group employee share option scheme
“Securities Account”	:	A securities account maintained by a depositor with CDP
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share” or “Shares”	:	Ordinary shares in the capital of the Company
“Shareholder” or “Shareholders”	:	Registered holders of Shares, except that where the registered holder is the CDP, the term “Shareholders” shall, in relation to such Shares, mean the persons to whose direct Securities Accounts maintained with CDP are credited with Shares. Any reference to Shares held by Shareholders shall include Shares standing to the credit of the respective Shareholders’ Securities Accounts
“Share Plan”	:	The proposed TalkMed Group performance share plan, as modified or altered from time to time
“Sponsor”	:	Hong Leong Finance Limited
“Subsidiary” or “Subsidiaries”	:	Has the meaning ascribed to it in Section 5 of the Companies Act
“Substantial Shareholder”	:	Has the meaning ascribed to it in Section 81 of the Companies Act
“Treasury Share”	:	(a) A share which was (or is treated as having been) purchased by a company in circumstances described under Section 76H of the Act; and (b) a share of the Company that was or is treated as having been acquired and held continuously by the Company since it was so acquired and has not been cancelled
“Vesting Period”	:	In relation to an Award, a period or periods, the duration of which is to be determined by the PSP Committee at the Date of Grant

DEFINITIONS

Currencies Units and Others

“S\$” or “\$” and “cents” : Singapore dollar and cents respectively

“%” or “per cent.” : Per centum or percentage

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them respectively in Section 130A of the Companies Act.

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

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined in the Companies Act, SFA or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, SFA or any statutory modification thereof (as the case may be) unless otherwise provided.

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

The total of figures listed in certain tables included in this Circular may not be the same as the arithmetic sum of the figures. Any such discrepancies are due to rounding.

LETTER TO SHAREHOLDERS

TALKMED GROUP LIMITED

(Company Registration No. 201324565Z)

(Incorporated in Singapore)

Directors

Mr Chandra Das s/o Rajagopal Sitaram
(Non-Executive Chairman and Independent Director)
Dr Ang Peng Tiam (Executive Director and Chief Executive Officer)
Dr Khoo Kei Siong (Executive Director and Chief Operating Officer)
Mr Dan Yock Hian (Non-Executive Independent Director)
Mr Sitoh Yih Pin (Non-Executive Independent Director)
Mr Lim Jen Howe (Non-Executive Director)
Mr Lim Teong Jin George (Non-Executive Director)

Registered Office

101 Thomson Road
#09-02 United Square
Singapore 307591

13 April 2016

To the Shareholders of **TALKMED GROUP LIMITED**

1. **THE PROPOSED ADOPTION OF THE TALKMED GROUP EMPLOYEE SHARE OPTION SCHEME;**
2. **THE PROPOSED GRANT OF OPTIONS UNDER THE TALKMED GROUP EMPLOYEE SHARE OPTION SCHEME AT A DISCOUNT;**
3. **THE PROPOSED PARTICIPATION OF THE CONTROLLING SHAREHOLDER, DR ANG PENG TIAM IN THE TALKMED GROUP EMPLOYEE SHARE OPTION SCHEME;**
4. **THE PROPOSED ADOPTION OF THE TALKMED GROUP PERFORMANCE SHARE PLAN; AND**
5. **THE PROPOSED PARTICIPATION OF THE CONTROLLING SHAREHOLDER, DR ANG PENG TIAM IN THE TALKMED GROUP PERFORMANCE SHARE PLAN.**

Dear Sir/Madam,

1. INTRODUCTION

The Board of Directors proposes to convene an EGM to seek Shareholders' approval in respect of the following:–

- (i) the proposed adoption of the Scheme;
- (ii) the proposed grant of Options under the Scheme at a discount;
- (iii) the proposed participation of the Controlling Shareholder, Dr Ang Peng Tiam in the Scheme;
- (iv) the proposed adoption of the Share Plan; and
- (v) the proposed participation of the Controlling Shareholder, Dr Ang Peng Tiam in the Share Plan.

LETTER TO SHAREHOLDERS

(collectively “**Proposals**”).

The purpose of this Circular is to provide Shareholders with information relating to the above-mentioned Proposals and to seek Shareholders’ approval in relation thereto at the EGM to be held on 28 April 2016 at 6.30 p.m. (or as soon as practicable following the conclusion of the annual general meeting of the Company to be held at 6.00 p.m. on the same day and at the same venue) at Alumni Association, The Alumni Medical Centre, 2 College Road, Singapore 169850. The Notice of the EGM is set out on N-1 to N-4 of this Circular.

2. THE PROPOSED TALKMED GROUP EMPLOYEE SHARE OPTION SCHEME

2.1 Rationale of the Scheme

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

The Company believes that the implementation of the Scheme will enable the Company to structure a competitive remuneration package, which is designed as an additional incentive tool to reward and retain Employees, Directors and Controlling Shareholders, as well as to achieve the following objectives:–

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

On 1 April 2016, the SGX-ST granted an in-principle approval for the listing and quotation for the Shares to be issued pursuant to the Scheme on the SGX-ST subject to, *inter alia*, specific Shareholders’ approval being obtained for the Scheme. Such in-principle approval by the SGX-ST is not an indication of the merits of the Scheme, the New Shares, the Company and/or its subsidiaries.

2.2 Summary of the Scheme

A summary of the Rules of the Scheme is set out below.

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2.2.1 Eligibility

The following shall be eligible to participate in the Scheme:–

- (i) Employees who are confirmed full-time employees of the Company and/or its Subsidiaries who have attained the age of 21 years on or before the Date of Grant;
- (ii) Directors of the Company and its Subsidiaries (including Non-Executive Directors); and
- (iii) Controlling Shareholders and/or their Associates, who meet the criteria in sections 2.2.1(i) or 2.2.1(ii) above,

who, in the opinion of the ESOS Committee, have contributed or will contribute to the success of the Group.

Persons who are Controlling Shareholders and/or Associates of Controlling Shareholders who meet the criteria in sections 2.2.1(i) or 2.2.1(ii) above are also eligible to participate in the Scheme provided that the participation of and the actual number of Shares to be issued to them and the terms of any Option to be granted to each Controlling Shareholder or Associate of Controlling Shareholder shall be approved by independent Shareholders in separate resolutions for each such person subject to the following:–

- (a) the aggregate number of Shares which may be offered by way of grant of Options to Participants who are Controlling Shareholders or Associates of Controlling Shareholders under the Scheme shall not exceed 25% of the total number of Shares available under the Scheme; and
- (b) the number of Shares available to each Controlling Shareholder or Associate of a Controlling Shareholder shall not exceed 10% of the Shares available under the Scheme.

For the purposes of assessing the contributions of eligible persons, the ESOS Committee may adopt a performance framework which incorporates financial and/or non-financial performance measurement criteria including, but not limited to the financial benefit or financial enhancement to the Group through any deals or transactions entered into by the Group as a result of the contributions of such persons, as well as the value of other contributions such as the introduction of new contacts or business opportunities.

2.2.2 Size of Scheme

Subject to the provisions on variation of the capital, the total number of Shares in respect of Options that may be offered to a Participant in accordance with the Scheme shall be determined at the absolute discretion of the ESOS Committee. The Directors believe that such discretion will give the ESOS Committee sufficient flexibility in adjusting the number of Shares in respect of Options to be granted, to achieve certain goals of the Company through the customisation of a compensation and incentive package suitable for each Participant.

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In compliance with the Listing Manual:–

- (i) The aggregate number of Shares (comprised in Options and Awards) under the Scheme and the Share Plan shall not exceed 15% of the total number of issued Shares of the Company excluding Treasury Shares from time to time.
- (ii) The aggregate number of Shares available to Controlling Shareholders and their Associates must not exceed 25% of the Shares available under the Scheme, and the number of Shares available to each Controlling Shareholder and his Associate must not exceed 10% of the Shares available under the Scheme.

To enjoy greater flexibility in structuring remuneration and compensation packages, the Company believes that it should have a sufficient number of Shares to accommodate Options issued under the Scheme. Taking into consideration the number of issued Shares of the Company as well as the number of eligible Participants in the Scheme, the Directors believe that a limit of 15% of the number of issued Shares of the Company in respect of the number of Shares (comprised in Options and Awards) to be issued pursuant to the Scheme and the Share Plan will enable the Company to grant a sufficient number of Options and Awards to the Participants to create a meaningful compensation for the Participants' contributions.

In determining the eligibility of the Employees and Executive Directors to participate in the Scheme and the number of Shares comprised in Market Price Options or, as the case may be, Discount Options, to be offered in accordance with the Scheme, the ESOS Committee will take into account criteria such as the grade level, seniority, level of responsibility, years of service, performance evaluation, the potential for future development and their respective contributions to the growth, success and development of the Group. In certain circumstances, the ESOS Committee shall also take into consideration the performance targets met by an eligible Employee or an Executive Director while determining the extent of the participation of that Employee or Executive Director in the Scheme. Examples of performance targets which will be considered by the ESOS Committee include targets based on criteria such as total shareholders' return, economic value added, market share, market ranking, profitability, return on sales and successful completion of a project.

And in determining the eligibility of the Non-Executive Directors and Controlling Shareholders to participate in the Scheme and the number of Shares comprised in Market Price Options or, as the case may be, Discount Options, to be offered in accordance with the Scheme, the ESOS Committee will take into account criteria such as the services and the contributions made by such Non-Executive Director or Controlling Shareholder to the growth, success and development of the Group.

The Company does not intend to specify a sub-limit for the Scheme so as to provide for flexibility in the Option structure.

2.2.3 Exercise Price

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

- (i) a price equal to the Market Price; or

LETTER TO SHAREHOLDERS

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

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

The Company plans to exercise this discretion judiciously and the amount of discount may vary from one offer to another from time to time depending on the circumstances and on a case-by-case basis. In determining the quantum of the discount, the ESOS Committee may take into consideration such factors as it may in its absolute discretion deem appropriate, including but not limited to:–

- (i) the performance of the Company and/or the Group;
- (ii) the years of service and individual performance (including the meeting of performance targets) of the eligible Employee or Directors or Controlling Shareholder;
- (iii) the contribution of the eligible Employee or Director or Controlling Shareholder to the success of the Company and/or the Group; and
- (iv) the prevailing market conditions.

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

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

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The Company believes that the maximum 20% discount to the Market Price of the Shares is sufficient to allow for flexibility in the Scheme while minimising the potential dilutive effect to the Shareholders arising from the Scheme.

Market Price Options shall only be exercisable after the first anniversary of the Date of Grant. Discounted Options shall only be exercisable after the second anniversary of the Date of Grant. All Options shall be exercised during the Exercise Period failing which the Options shall be deemed to have expired and shall cease to be valid.

2.2.4 Variation of Capital

If a variation in the number of issued Shares of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, subdivision, consolidation or distribution or otherwise howsoever) should take place, then:–

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

may be adjusted in such manner as the ESOS Committee may determine to be appropriate, except for capitalisation issues, upon the written confirmation of the auditors of the Company (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

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

- (i) issue of securities as consideration for an acquisition or a private placement of securities;
- (ii) cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;
- (iii) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its Employees including Directors or Employees of the Company pursuant to purchase or option scheme approved by Shareholders in general meeting, including the Scheme;
- (iv) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business; and
- (v) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

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

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

2.2.5 Modifications to the Scheme

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 ESOS Committee, except that:–

- (i) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the ESOS Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to Shares representing not less than three-quarters of the total voting rights (or such other requirements as may be prescribed by the SGX-ST) of all the Shares which would be allotted upon exercise in full of all outstanding Options;
- (ii) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of the Shareholders in general meeting, whereby Shareholders who are also holders of Options shall be required to abstain from voting in respect of any resolution relating to such modification or alteration; and
- (iii) no modification or alteration shall be made without the prior approval of the Sponsor (acting as agent on behalf of the SGX-ST) or the SGX-ST (as the case may be) or (if required) any other stock exchange on which the Shares are quoted and listed, and such other regulatory authorities as may be necessary.

For the purposes of section 2.2.5(i) above, the opinion of the ESOS Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

2.2.6 Duration of the Scheme

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

The Scheme may be terminated at any time by the ESOS Committee or by resolution of the Shareholders at general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company.

2.2.7 Ranking of the Shares

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

LETTER TO SHAREHOLDERS

2.3 Financial Effects of the Scheme

Details of the costs to the Company of granting Options under the Scheme and the allotment and issue of the New Shares would be as follows:–

2.3.1 Share Capital

The Scheme will result in an increase in the number of issued Shares of the Company to the extent that New Shares are allotted and issued upon the exercise of the Options. This number of New Shares issued will in turn depend on, *inter alia*, the number of Shares comprised in the Options granted, the number of Options that are vested, the prevailing Market Price of the Shares on the SGX-ST, and whether the Company chooses to deliver Treasury Shares to holders of Options in lieu of New Shares.

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

2.3.2 EPS

The Scheme will have a dilutive impact on the Company's consolidated EPS following the increase in the number of issued Shares of the Company to the extent that New Shares are allotted and issued pursuant thereto.

However, the impact arising from the Scheme on the Company's consolidated EPS is not expected to be material in any given financial year.

2.3.3 NTA

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

2.3.4 Potential Cost of Options

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

- (a) the exercise of an Option at the Exercise Price would translate into a reduction of the proceeds from the exercise of such Option, as compared to the proceeds that the Company would have received from such exercise had the exercise been made at the prevailing Market Price of the Shares. Such reduction of the exercise proceeds would represent the monetary cost to the Company; and

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- (b) the grant of Options under the Scheme will have an impact on the Company's reported profit under FRS as share-based payment requires the recognition of an expense in respect of Options granted under the Scheme. The expense will be based on the fair value of the Options at the Date of Grant (as determined by an option pricing model) and will be recognised over the Vesting Period provided that the only condition to vest the Options is service period.

It should be noted that the financial effects discussed in section 2.3.4(a) above will materialise only upon the exercise of the relevant Options. The cost of granting Options discussed in section 2.3.4(b) above will be recognised in the financial statements even if the Options are not exercised in 2.3.4(b). Measured against the cost of granting the Options as described above, the desirable effect of the Scheme in attracting, recruiting and motivating Directors and Employees could in the long term yield greater returns for the Company and Shareholders.

2.4 Details of the Scheme

The Rules of the Scheme are set out in Appendix I of this Circular.

3. THE PROPOSED TALKMED GROUP PERFORMANCE SHARE PLAN

3.1 Rationale of the Share Plan

The Company has undertaken a comprehensive review of employee remuneration and benefits and wishes to introduce a new compensation scheme that will increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate Employees and Directors to improve their performance. In line with this, the Company believes that share plans need to be introduced to strengthen the overall effectiveness of performance-based compensation schemes.

The Share Plan allows the Company to target specific performance objectives and to provide an incentive for Participants to achieve these targets, which ultimately, will create and enhance economic value for Shareholders. The Directors believe that the new plan will incentivise Participants to excel in their performance and encourage greater dedication and loyalty to the Company. Through the Share Plan, the Company will be able to recognise and reward past contributions and services and motivate potential Participants to continue to strive for the Group's long-term prosperity. In addition, the Share Plan aims to foster an ownership culture within the Group.

The Company believes that attracting and retaining outstanding individuals as Employees is paramount to the Group's long-term objective of achieving continuous growth, expansion and profitability in its business and operations. It is hoped that through the implementation of the Share Plan, the Company will be able to remain an attractive and competitive employer and be better positioned to manage its fixed overhead costs without compromising on performance standards and efficiency.

Through the Share Plan, the award of fully-paid Shares, free of charge, to the Participants is intended to be a more attractive form of bonus from the Company to the Participants. In addition, the Company believes that the Share Plan will be more effective than cash bonuses in motivating Employees as it gives them a stake in the ownership of the Company whilst at the same time allowing the Company to offer incentives and remuneration packages comparable with other multinational companies.

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The Share Plan will serve as an additional and flexible incentive tool. With the Share Plan, the Company would be able to tailor share-based incentives according to the objectives to be achieved.

The Awards granted under this Share Plan will be determined at the sole discretion of the PSP Committee, which will oversee and administer the Share Plan. In considering the grant of an Award to a Participant, the PSP Committee shall take into account (where applicable) criteria such as the grade level, scope of responsibilities, performance, years of service and potential for future development of the Participant.

On 1 April 2016, the SGX-ST granted an in-principle approval for the listing and quotation for the Shares to be issued pursuant to the Share Plan on the Catalist subject to, *inter alia*, specific Shareholders' approval being obtained for the Share Plan. Such in-principle approval by the SGX-ST is not an indication of the merits of the Share Plan, the New Shares, the Company and/or its subsidiaries.

The Share Plan is subject to the approval of the Shareholders, which is being sought at the EGM, notice of which is set out at pages N-1 to N-4 of this Circular.

3.2 Summary of the Share Plan

A summary of the Rules of the Share Plan is set out below.

3.2.1 Eligibility

Persons who are eligible to participate in the Share Plan must be:–

- (i) Employees who are confirmed full-time employees of the Company and/or its Subsidiaries who have attained the age of 21 years on or before the Date of Grant; and
- (ii) Directors of the Company and its Subsidiaries (including Non-Executive Directors); and
- (iii) Controlling Shareholders and/or their Associates, who meet the criteria in sections 3.2.1(i) or 3.2.1(ii) above,

who, in the opinion of the PSP Committee, have contributed or will contribute to the success of the Group.

Persons who are Controlling Shareholders and/or Associates of Controlling Shareholders who meet the criteria in sections 3.2.1(i) or 3.2.1(ii) above are also eligible to participate in the Share Plan provided that the participation of and the actual number of Shares to be issued to them and the terms of any Award to be granted to each Controlling Shareholder or Associate of Shareholder shall be approved by independent Shareholders in separate resolutions for each such person subject to the following:–

- (a) the aggregate number of Shares in respect of the Awards which may be awarded to Participants who are Controlling Shareholders or Associates of Controlling Shareholders under the Share Plan shall not exceed 25% of the total number of Shares which may be granted under the Share Plan; and

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- (b) the number of Shares in respect of the Awards available to each Controlling Shareholder or Associate of a Controlling Shareholder shall not exceed 10% of the Shares which may be granted under the Share Plan.

3.2.2 Size of the Share Plan

The Directors believe that the size of the Share Plan is reasonable, taking into account the nature of the business in the industry, the contributions of the Participants, and the share capital. The Directors believe that the size of the Share Plan will give the Company sufficient flexibility to decide the number of Shares to be awarded under the Share Plan. However, it does not indicate that the PSP Committee will definitely issue Shares up to the prescribed limit. The PSP Committee will exercise its discretion in deciding the number of Shares to be awarded to each Participant under the Share Plan. This, in turn, will depend on and commensurate with the performance and value of each Participant to the Group.

The number of Shares to be awarded to each Participant in accordance with the Share Plan shall be determined at the absolute discretion of the PSP Committee, which shall take into account criteria such as the grade level, scope of responsibilities, performance, years of service, potential for future development of the Participant, contribution to the success of the Group and the extent of effort and resourcefulness with which the performance target(s) may be achieved within the performance period.

In compliance with the Listing Manual:–

- (i) The aggregate number of Shares (comprised in Options and Awards) under the Scheme and the Share Plan shall not exceed 15% of the total number of issued Shares of the Company excluding Treasury Shares from time to time.
- (ii) The aggregate number of Shares available to Controlling Shareholders and their Associates must not exceed 25% of the Shares available under the Share Plan, and the number of Shares available to each Controlling Shareholder and his Associate must not exceed 10% of the Shares available under the Share Plan.

3.2.3 Duration

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

Notwithstanding the expiry or termination of the Share Plan, any Awards made to Participants prior to such expiry or termination will continue to remain valid.

3.2.4 Awards

Awards represent the right of a Participant to receive fully-paid Shares free of charge, provided that certain prescribed performance targets are met prior to the expiry of the prescribed performance period.

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The Company believes that the ability to offer Awards free of charge will operate as a means to recognise and acknowledge the Participant for their outstanding performance and as a reward for their valuable and dedicated service to the Company, as well as to motivate and encourage greater dedication and loyalty to the Company. It will also help to place the Company in a more competitive position in the recruitment and retention of staff in an intensely competitive environment by enhancing the competitiveness of remuneration packages offered to existing and prospective Employees.

Shares which are to be allotted and issued or transferred to a Participant may be subject to such restrictions against disposal or sale or any other dealings by the Participant as the PSP Committee may decide in its absolute discretion. Notwithstanding, any Award granted by the Company will have to be made in accordance with, and in the manner prescribed by, the Companies Act and such other laws and regulations as may for the time being be applicable.

3.2.5 Entitlement to Awards

The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Share Plan shall be determined at the absolute discretion of the PSP Committee, which shall take into account criteria such as, *inter alia*, the grade level, scope of responsibilities, performance, years of service and potential for future development, contribution to the success of the Group and the extent of effort and resourcefulness with which the performance target(s) may be achieved within the performance period.

3.2.6 Details of Awards

The PSP Committee shall decide, *inter alia*, at its sole discretion, the following:–

- (i) the Participant;
- (ii) the Date of Grant;
- (iii) the performance period;
- (iv) the number of Shares which are the subject of the Award;
- (v) the performance target(s) which shall be set according to the specific roles of each Participant, and which may differ from Participant to Participant;
- (vi) the prescribed Vesting Period(s);
- (vii) the Release Schedule; and
- (viii) any other condition which the PSP Committee may determine in relation to that Award, including any restrictions against the disposal or sale of and/or other dealings in the Shares by the Participant.

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3.2.7 PSP Committee

Awards may only be vested and consequently any Shares comprised in such Awards shall only be delivered upon the PSP Committee being satisfied that the Participant has achieved the performance target(s) set forth by the PSP Committee, and the PSP Committee shall have the absolute discretion to determine the extent to which the Shares under that Award shall be released on the prescribed performance target(s) being satisfied (whether fully or partially) or exceeded, as the case may be, at the end of the prescribed performance period and in making any such determination, the PSP 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 PSP Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance target(s) if the PSP Committee decides that a changed performance target(s) would be a fairer measure of performance.

3.2.8 Operation of the Share Plan

Subject to prevailing legislation and the Catalist Rules, the Company, in its sole and absolute discretion, will deliver Shares to the Participants upon vesting of their Awards by way of either:–

- (i) an issue and allotment of New Shares; or
- (ii) delivering existing Shares to the Participant, whether such existing Shares are purchased or acquired pursuant to the share buy back mandate (where applicable) to be held as Treasury Shares or (to the extent permitted by law) are Shares acquired previously and held as Treasury Shares.

In determining whether to issue and allot New Shares or the delivery of existing Shares to the Participants to satisfy the Awards, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing Market Price of the Shares and the cost to the Company of issuing and allotting New Shares or delivering existing Shares.

The financial effects of the above methods are discussed in section 3.3 below.

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

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

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3.3 Financial effects of the Share Plan

Details of the costs to the Company of granting Awards under the Share Plan and the allotment and issue of the New Shares would be as follows:–

3.3.1 Share capital

The Share Plan will result in an increase in the Company's issued Shares where New Shares are issued to Participants. The number of New Shares issued will depend on, *inter alia*, the size of the Awards granted under the Share Plan. In any case, the Share Plan provides that the number of Shares available under the said Share Plan, when aggregated with aggregate number of Shares available under any other share-based schemes of the Company, will be subject to the maximum limit of 15% of the Company's total issued Shares (excluding Treasury Shares).

If instead of issuing New Shares to Participants, existing Shares are purchased for delivery to Participants, the Share Plan will have no impact on the Company's issued Shares.

3.3.2 NTA

As explained in section 3.3.5 below, the Share Plan will result in a charge to the Company's profit and loss statement equal to the market value at which the existing Shares are purchased or the market value on the date at which New Shares are vested under the Awards. If New Shares are issued to Participants pursuant to the vesting of the Awards, there will be no effect on the NTA. If existing Shares are purchased for delivery to Participants, the NTA would decrease by the cost of the Shares purchased.

However, it should be noted that the delivery of Shares to Participants of the Share Plan is contingent upon the Participants meeting prescribed performance targets and conditions.

3.3.3 EPS

The Share Plan will result in a charge to earnings equivalent to the market value at which the existing Shares are purchased or the market value on the date at which New Shares are issued under the Awards.

Although the Share Plan will have a dilutive impact (to the extent that New Shares are issued pursuant to the Share Plan) on the EPS, it should again be noted that the delivery of Shares to Participants in respect of Awards will generally be contingent upon the Participants meeting the prescribed performance targets and conditions.

3.3.4 Dilutive Impact

It is expected that the dilutive impact of the Share Plan on the NTA per Share and EPS will not be significant as this Share Plan provides that the aggregate number of Shares available under it, when aggregated with aggregate number of Shares of any other share-based schemes of the Company, will be subject to the maximum limit of 15% of the Company's total issued Shares (excluding Treasury Shares).

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3.3.5 Potential Cost of Awards

The Share Plan is considered a share-based payment that falls under the scope of FRS102, Share-based payment. Participants will receive Shares 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 an expense in the income statement with a corresponding increase in a reserve account over the Vesting Period. The total expense to be recognised over the Vesting Period is determined by reference to the fair value of each Award granted on the date of the grant. As at the end of each financial year, the Company will revise its estimated number of New Shares under the Awards that are expected to become exercisable on the Vesting Date recognising the effect of the revision of estimates in the income statement with a corresponding adjustment to the reserve account over the remaining Vesting Period.

The expense recognised in the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the Market Price of the Shares. This is known as a market condition. If the performance target is a market condition, the probability of the performance target 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 target is not a market condition, the fair value per share of the Awards granted at the grant date is used to compute the expense to be recognised in the income statement at each financial year ended, 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 expense recognised in the income statement if the Awards do not ultimately vest.

3.4 Adjustments and alterations under the Share Plan

If a variation in the issued Share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, capital reduction, sub-subdivision, consolidation of Shares, distribution or otherwise) shall take place, then:–

- (i) the class and/or number of Shares which are the subject of Awards to the extent not yet vested; and/or
- (ii) the class and/or number of Shares in respect of which future Awards may be granted under the Share Plan,

shall be adjusted in such manner as the PSP Committee may determine at its own discretion to be appropriate.

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

- (i) issue of securities as consideration for an acquisition or a private placement of securities;
- (ii) cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;
- (iii) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its Employees including Directors or Employees of the Company pursuant to purchase or option scheme approved by Shareholders in general meeting, including the Share Plan;
- (iv) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business; and
- (v) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

Notwithstanding the provisions of rules of the Share Plan:–

- (i) the adjustment must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive; or
- (ii) 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.

Upon any adjustment required to be made pursuant to rules of the Share Plan, 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.

Subject to the rules of the Share Plan, the Share Plan may be modified and/or altered at any time and from time to time by a resolution of the PSP Committee provided that:–

- (i) no modification or alteration shall be made which would adversely affect the rights attaching to any Awards 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 in full, would become entitled to not less than three-quarters in number of all the Shares which would be issued or delivered, as the case may be, upon the release of in full of all outstanding Awards;
- (ii) any modifications or alteration which would be to the advantage of Participants shall not be made except with the prior approval of the Shareholders in general meeting; and

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- (iii) no modification or alteration shall be made except in compliance with the Catalist Rules or such other stock exchange on which the Shares are quoted or listed and such other regulatory authorities as may be necessary.

4. DISCLOSURES

In accordance with the Catalist Rules, the following shall be disclosed by the Company in its annual report as long as the Scheme and/or the Share Plan continues in operation:–

- (i) The names of the committee administering the Scheme and/or the Share Plan;
- (ii) In respect of the following Participants:–
 - (a) Directors;
 - (b) Participants who are Controlling Shareholders and their Associates;
 - (c) Participants other than those referred to in sections 4(ii)(a) and 4(ii)(b) above, who have received Shares pursuant to the grant of the Options under the Scheme and/or vesting of Awards under the Share Plan (as the case may be), which, in aggregate, represent five per cent. (5%) or more of the total number of Shares available under the Scheme and/or the Share Plan (as the case may be) the following information must be disclosed:–
 - (1) the name of the Participant;
 - (2) the aggregate number of Shares comprised in Options or Awards (as the case may be) granted to such Participant during the financial year under review;
 - (3) the aggregate number of Shares comprised in Options or Awards (as the case may be) granted to such Participant since the commencement of Scheme or the Share Plan to the end of the financial year under review;
 - (4) (for the Scheme) the aggregate number of Options exercised since the commencement of the Scheme up to the end of the financial year under review;
 - (5) (for the Scheme) the aggregate number of Options outstanding as at the end of the financial year under review;
 - (6) (for the Share Plan) the aggregate number of Shares issued to such Participant under the Share Plan during the financial year under review;
 - (7) (for the Share Plan) the aggregate number of Shares comprised in Awards which have not been vested as at the end of the financial year under review;
 - (d) Where applicable, the number and proportions of Options granted at a discount during the financial year under review in respect of every 10% discount range, up to the maximum quantum of discount granted; and

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

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

5. PARTICIPATION OF THE CONTROLLING SHAREHOLDER AND THEIR ASSOCIATES AND OTHER DIRECTORS (BOTH EXECUTIVE AND NON-EXECUTIVE) IN THE SCHEME AND THE SHARE PLAN

5.1 Rationale and justification for the participation of the Controlling Shareholders and their Associates

One of the objectives of the Scheme and the Share Plan is to motivate Participants to optimize their performance and to maintain a high level of contribution. The objectives of the Scheme and the Share Plan apply equally to our Directors who are Controlling Shareholders or Associates of Controlling Shareholders. The Company's view is that all deserving and eligible Participants should be motivated, regardless of whether they are Controlling Shareholders. The Company believes that as the Scheme and the Share Plan is designed to motivate, retain and reward Employees and Directors who contribute to the growth and profits of the Company, Employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders should be entitled to the same benefits as other Employees and should not be excluded from benefiting under the Scheme or Share Plan solely for the reason that they are Controlling Shareholders or Associates of the Controlling Shareholders. It is in the Group's interest that these Participants who are actively contributing to the Group's progress and development are given the incentive to continue to remain with the Company and contribute towards the Group's future progress and development. In respect of the determination as to eligibility and grant of Options and/or Awards, the terms of the Scheme or the Share Plan do not differentiate between Employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders and other Directors and Employees who are not such persons. As such, Employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders will be subject to the same rules as other Employees.

Dr Ang is the Executive Director and CEO, who is also the Controlling Shareholder of the Company.

Pursuant to Rule 852 of the Catalist Rules, the specific grant of Options and/or Awards to the Controlling Shareholders and their Associates will have to be approved by independent Shareholders in a general meeting of the Company in separate resolutions.

5.1.1 Rationale for participation of Dr Ang

Dr Ang is the CEO. He is responsible for the strategic direction, business strategies, daily operations and management of the Group.

The Directors are of the view that Dr Ang's contributions to the Group as its CEO have been instrumental to the growth of the Group's business since he was appointed as its CEO. The Directors believe that there is substantial potential future development and contribution that may be made by Dr Ang towards enhancing the competitiveness of the Company.

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The Directors are of the view that the remuneration package of Dr Ang is fair given his contributions to the Company. The extension of the Scheme and Share Plan to Dr Ang is consistent with the Company's objectives to motivate its Employees to achieve and maintain a high level of performance and contribution, which is vital to the success of the Company. Although Dr Ang already has a shareholding interest in the Company, the extension of the Scheme and Share Plan to him will ensure that he is equally entitled, with the other Employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing his long-term commitment to the Company. Due to the above reasons, the Directors believe that Dr Ang deserves, and should be allowed to participate in the Scheme.

Pursuant to Rule 852 of the Catalist Rules, the specific grant of Scheme and Share Plan to Dr Ang will have to be approved by independent Shareholders of our Company in general meetings.

5.1.2 Existing Remuneration of Dr Ang

For the financial year ended 31 December 2015, Dr Ang received as remuneration for his services to the Company was in the band of S\$500,000 and above. This remuneration includes only basic salaries.

5.1.3 Proposed Grant of Option(s) and Awards to Dr Ang

Subject to the approval of the other independent Shareholders, the Company is proposing to grant to Dr Ang the Option(s) and the Awards on the following terms:-

- | | | |
|--|---|---|
| (i) Proposed Date of Grant of Option(s) and the Awards | : | At the discretion of the ESOS Committee or PSP Committee pursuant to the proposed Rules of the Scheme and the Share Plan appearing in Appendix I and Appendix II respectively |
| (ii) Number of Shares comprised in the proposed Options and Awards | : | Up to 9,857,145 Shares (representing approximately 1.5% of the total issued Shares as the Latest Practicable Date) |
| (iii) Exercise Price per Share for the proposed Options | : | At the discretion of the ESOS Committee pursuant to Rule 9 of the proposed Rules of the Scheme appearing in Appendix I |
| (iv) Exercise Period for the proposed Options | : | In accordance with Rule 11 of the proposed Rules of the Scheme appearing in Appendix I |

5.1.4 Limits on grant of Options and Awards to the Controlling Shareholders

As at the Latest Practicable Date, the total number of issued Shares is 657,143,000.

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In compliance with the Listing Manual and as set out in section 2.2.2 above, the aggregate number of New Shares available under the Scheme and the Share Plan, and such other share-based incentive schemes (if any) shall not exceed 15% of the total number of the total number of issued Shares (excluding Treasury Shares).

Subject to the approval of the other independent Shareholders and under the Listing Manual, the aggregate number of New Shares available to Participants who are Controlling Shareholders and their Associates shall not exceed 25% of the New Shares and the number of New Shares available to each Controlling Shareholder or Associate shall not exceed 10% of the New Shares.

5.2 Participation by Non-Executive Directors (including Independent Directors)

Under the Catalist Rules, the Group has some flexibility in formulating schemes that recognises and benefits not only persons who are in the employment of the Group but also Non-Executive Directors (including Independent Directors) who are not employed by the Group but who nevertheless work closely with the Group and/or are in the position to contribute their experience, knowledge and expertise to the success of the Group. The Scheme is extended to the Non-Executive Directors (including our Independent Directors) of the Group.

Although the Non-Executive Directors are not involved in the day-to-day running of the Group, they also play an invaluable role in our success by applying their experience, drawing on their knowledge and utilising their expertise for the benefit of the Group. It is desirable that the Non-Executive Directors (including Independent Directors) be allowed to participate in the Scheme and the Share Plan to give recognition to their services and contributions and to further align their interests with that of the Group.

In order to minimise any possible conflicts of interest, and so as not to compromise the objectivity of independent members of the Board who may, in the future, be selected to participate in the Scheme, the Non-Executive Directors (including Independent Directors) would primarily continue to be remunerated for their services by way of directors' fees. As the Scheme does specify a limit as to the number of Shares to be comprised in Options that may be granted to any Participant in a financial year, it is envisaged that the Options and/or Awards granted to Non-Executive Directors (including Independent Directors) will not comprise (whether on an individual or collective basis) a significant portion of the Options and the Awards available under the Scheme and the Share Plan.

The ESOS Committee and/or PSP Committee when deciding on the selection of Non-Executive Directors to participate in the Scheme and the Share Plan, and the number of Shares to be offered (in accordance with the Scheme and the Share Plan) will take into consideration the nature and extent of their input, assistance and expertise rendered to the committees on which they sit and the impact thereof on the growth, success and development of the Company and the Group, as well as their involvement and commitment to the Board. Non-Executive Directors (including Independent Directors) will abstain from making any recommendation as a Director and abstain from voting as a member of the Company when the grant of Options and/or Awards to him is being considered.

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5.3 Directors' and Substantial Shareholders' Interests

The interests of the Directors and the substantial Shareholders (that is, persons whose interests in the Company's issued share capital are equal to or more than 5%) of the Company as at the Latest Practicable Date are set out below:–

Name	Direct Interests No of Shares	% ⁽¹⁾	Deemed Interests No of Shares	% ⁽¹⁾	Total Interests No of Shares	% ⁽¹⁾
Directors						
Dr Ang Peng Tiam ⁽²⁾⁽³⁾	–	–	429,456,000	65.35	429,456,000	65.35
Dr Khoo Kei Siong	49,680,000	7.56	–	–	49,680,000	7.56
Mr Lim Jen Howe	–	–	–	–	–	–
Mr Lim Teong Jin George	–	–	–	–	–	–
Mr Chandra Das s/o Rajagopal Sitaram	–	–	–	–	–	–
Mr Dan Yock Hian	–	–	–	–	–	–
Mr Sitoh Yih Pin	–	–	–	–	–	–
Substantial Shareholders						
Ladyhill Holdings Pte. Ltd. ⁽²⁾	429,456,000	65.35	–	–	429,456,000	65.35
Dr Teo Cheng Peng	49,128,000	7.48	–	–	49,128,000	7.48
Mdm Chua Siok Lin ⁽²⁾⁽³⁾	–	–	429,456,000	65.35	429,456,000	65.35

Notes:–

- (1) The percentage of shareholdings is computed based on the issued and paid-up share capital of the Company comprising 657,143,000 Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Ladyhill Holdings Pte. Ltd. is an investment holding company incorporated in Singapore on 15 November 2012. As at the date of this Offer Document, the shareholders of Ladyhill Holdings Pte. Ltd. are Dr Ang Peng Tiam (60%), Mdm Chua Siok Lin (20%), Ms Ang Li-en, Yvonne (5%), Mr Ang Jia-Qiang, David (5%), Mr Ang Jia Ming, Daniel (5%) and Ms Ang Li Yi, Yvette (5%). Ms Ang Li-en, Yvonne, Mr Ang Jia-Qiang, David, Mr Ang Jia Ming, Daniel and Ms Ang Li Yi, Yvette are the children of Dr Ang and Mdm Chua. Dr Ang Peng Tiam and Mdm Chua Siok Lin have a deemed interest in the Shares held by Ladyhill Holdings Pte. Ltd. in our Company pursuant to Section 7 of the Companies Act.
- (3) Dr Ang Peng Tiam and Mdm Chua Siok Lin are spouses.

6. DIRECTORS' RECOMMENDATION

All the Directors will be eligible to participate in the Scheme and the Share Plan and have therefore refrained from making any recommendation to the Shareholders on the Ordinary Resolutions 1, 2, 3, 4, and 5 as set out in the Notice of EGM due to their interest in the Scheme and the Share Plan.

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-4 of this Circular, is to be held at Alumni Association, The Alumni Medical Centre, 2 College Road, Singapore 169850 on 28 April 2016 at 6.30 p.m. (or as soon as practicable following the conclusion of the annual general meeting of the Company to be held at 6.00 p.m. on the same day and at the same venue) for the purpose of considering and, if thought fit, passing with or without any amendments the ordinary resolutions set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend and vote at the EGM and who wish to appoint a proxy or proxies to attend and vote at the EGM on their behalf, should complete, sign and return the attached proxy form in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company (101 Thomson Road, #09-02 United Square, Singapore 307591) not less than 48 hours before the time fixed for holding the EGM.

The completion and lodgement of a proxy form by a Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy or proxies if he so wishes. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the EGM.

Any Shareholder entitled to participate or who is interested in the Scheme and/or the Share Plan should abstain from voting at the EGM in respect of all the Ordinary Resolutions relating to the Scheme (Ordinary Resolutions 1, 2, and 3) and/or the Share Plan (Ordinary Resolutions 4 and 5). Such Shareholders should also not accept nominations as proxies in respect of the aforesaid Ordinary Resolutions, unless specific instructions have been given in the proxy instrument by the independent Shareholders appointing them on how they wish their votes are to be cast for each of the aforesaid Ordinary Resolutions.

As it is proposed that Dr Ang be allowed to participate in the Scheme and the Share Plan, Dr Ang and his Associates will abstain from voting at the EGM in respect of all the Ordinary Resolutions 1, 2, 3, 4, and 5 relating to the Scheme and the Share Plan and should not accept nominations as proxies in respect of the aforesaid Ordinary Resolutions, unless specific instructions have been given in the proxy instrument by the independent Shareholders appointing them on how they wish their votes are to be cast for each of the aforesaid Ordinary Resolutions.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material 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 Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

LETTER TO SHAREHOLDERS

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 101 Thomson Road, #09-02 United Square, Singapore 307591 during normal business hours from the date hereof up to and including the date of the EGM:–

- (a) the Constitution of the Company;
- (b) the Rules of the Scheme; and
- (c) the Rules of the Share Plan.

Yours faithfully
for and on behalf of the Board of Directors
TalkMed Group Limited

Dr Ang Peng Tiam
Executive Director and Chief Executive Officer

APPENDIX I

PROPOSED RULES OF THE TALKMED GROUP EMPLOYMENT SHARE OPTION SCHEME

1. TALKMED GROUP EMPLOYEE SHARE OPTION SCHEME

The TalkMed Group Employee Share Option Scheme shall mean the employee share option scheme herein, as modified or altered from time to time and shall be referred to as the Scheme.

2. DEFINITIONS

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

- “Act or Companies Act” : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
- “Adoption Date” : The date on which the Scheme is adopted by the Company in general meeting
- “Associate” : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:–
- (i) his Immediate family;
 - (ii) the trustees of any trust of which he or his Immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his Immediate family together (directly or indirectly) have an interest of 30% or more
- (b) In relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Auditors” : The auditors of the Company for the time being
- “Board” : The board of Directors of the Company

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“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	Section B of the listing manual of SGX-ST, as amended, supplemented or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“CPF”	:	Central Provident Fund
“Circular”	:	The circular to Shareholders dated 13 April 2016
“Company”	:	TalkMed Group Limited
“Controlling Shareholder”	:	A person who:– (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the Company; or (b) in fact exercises control over the Company For the purpose of the Scheme, Controlling Shareholders shall also include their Associates.
“Date of Grant”	:	The date on which an Option is granted to a Scheme Participant pursuant to Rule 7 of the Scheme
“Director”	:	A person holding office as a director for the time being of the Company or its Subsidiaries, as the case may be
“Discount Option”	:	The right to subscribe for Shares granted or to be granted pursuant to the Scheme and for the time being subsisting, and in respect of which the Exercise Price is determined in accordance with Rule 9 of the Scheme
“Employee”	:	An employee of the Group (including any Director) selected by the ESOS Committee to participate in the Scheme in accordance with Rule 4 of the Scheme
“ESOS Committee”	:	The committee designated to administer the Scheme, shall comprise Mr Chandra Das s/o Rajagopal Sitaram, Mr Sitoh Yih Pin, Mr Lim Teong Jin George and Dr Ang

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“Executive Director”	:	A Director of the Company and/or its Subsidiaries, as the case may be, who performs an executive function within the Company or the relevant Subsidiary, as the case may be
“Exercise Period”	:	<p>The period during which an Option is exercisable being:–</p> <p>(a) in the case of a Market Price Option which is granted to an Employee, a period commencing after the 1st anniversary of the Date of Grant and expiring on the 4th anniversary of such Date of Grant; and</p> <p>(b) in the case of a Discount Option which is granted to an Employee, a period commencing after the 2nd anniversary of the Date of Grant and expiring on the 5th anniversary of such Date of Grant,</p> <p>subject as provided in Rules 11 and 15 of the Scheme and any other conditions as may be introduced by the ESOS Committee from time to time</p>
“Exercise Price”	:	The price at which a Scheme Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 9(A)(i) of the Scheme in relation to a Market Price Option or Rule 9(A)(ii) of the Scheme in relation to a Discount Option, as adjusted in accordance with Rule 10 of the Scheme
“Group”	:	The Company and its Subsidiaries
“Immediate family”	:	In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Price”	:	A price equal to the average of the last dealt prices for the Shares on the SGX-ST over the three (3) consecutive Market Days immediately preceding the Date of Grant of that Option, as determined by the ESOS Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices

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“Market Price Option”	:	The right to subscribe for Shares granted or to be granted pursuant to the Scheme and for the time being subsisting, and in respect of which the Exercise Price is determined in accordance with Rule 9 of the Scheme
“New Shares”	:	For the purpose of the Scheme, means the new Shares which may be allotted and issued from time to time pursuant to the exercise of the Options granted under the Scheme
“Non-Executive Director”	:	A Director of the Group, other than Executive Directors and including the independent Directors, who does not perform an executive function within the Group
“Option”	:	A Market Price Option and/or a Discount Option, as the case may be
“Record Date”	:	The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions
“Rules” or “Rules of the Scheme”	:	Rules of the Scheme, as may be modified or amended from time to time and any reference to a particular Rule shall be construed accordingly
“Scheme”	:	The TalkMed Group Employee Share Option Scheme, as the same may be modified or amended from time to time
“Scheme Participant”	:	The holder of an Option (including, where applicable, the executor or personal representative of such holder)
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the depositors whose securities accounts are credited with the Shares
“Share” or “Shares”	:	Ordinary shares in the capital of the Company
“Sponsor”	:	Hong Leong Finance Limited

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“Subsidiary”	:	A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Act
“Substantial Shareholder”	:	A person (including a corporation) who has interest in not less than 5% of the issued voting Shares of the Company
“Treasury Shares”	:	Issued Shares of the Company which have been (or are treated as having been) purchased by the Company in circumstances under which Section 76H of the Act applies and which have since purchase been continuously held by the Company
“Vesting Schedule”	:	In relation to an Option, a schedule for the vesting and the exercise of the Shares comprised in the Option during the Exercise Period in relation to that Option as determined by the ESOS Committee on the Date of Grant of that Option
“S\$” and “Cents”	:	Singapore dollars and cents, respectively

The terms “Depositor”, “Depository Register” and “Depository Agent” shall have the meanings ascribed to them, respectively, in Section 130A of the Act or any statutory modification thereof, as the case may be.

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

Any reference in this Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in this Scheme shall, where applicable, have the meaning ascribed to it under the Act or any statutory modification thereof, as the case may be.

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

3. RATIONALE FOR THE SCHEME

- 3.1 The Company places strong emphasis on the recruitment and retention of Directors and quality Employees with talent in all areas of the Group’s operations, and in particular, the drive, leadership, skills, expertise and experience of such persons, as the Company considers these to be qualities that will assist the Group to realise its strategic and long-term business goals.
- 3.2 The Scheme will provide Employees, Executive Directors and Non-Executive Directors (collectively as “**Directors**”), Controlling Shareholders and their Associates (collectively as “**Controlling Shareholders**”) who have contributed to the success and development of the Group with an opportunity to participate in the equity of the Company and to motivate them towards better performance through dedication and loyalty.

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The Scheme, which also forms an integral and important component of a compensation plan, is designed to reward and retain the Employees, Directors and Controlling Shareholders whose services are vital to the well-being and success of the Group.

3.3 The Scheme is primarily a share incentive scheme. It recognises the fact that the services of such Employees, Directors or Controlling Shareholders are important to the current development, growth and success of the Group. Implementation of the Scheme will not only allow the Company flexibility in relation to the Group's remuneration package for its Employees and allow the Group to better manage its fixed overheads but also enable the Company to give such Employees, Directors and Controlling Shareholders a real and meaningful stake in the Company and help the Company to achieve the following objectives:–

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

4. ELIGIBILITY

4.1 Any of the following persons shall be eligible participate in the Scheme:–

- (i) Employees who are confirmed full-time employees of the Company and/or its Subsidiaries who have attained the age of 21 years on or before the Date of Grant; and
- (ii) Directors of the Company and its Subsidiaries (including Non-Executive Directors);
- (iii) Controlling Shareholders and/or their Associates, who meet the criteria in Rules 4.1(i) or 4.1(ii) above,

who, in the opinion of the ESOS Committee, have contributed or will contribute to the success of the Group.

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- 4.2 Persons who are Controlling Shareholders and/or Associates of Controlling Shareholders who meet the criteria in Rules 4.1(i) or 4.1(ii) above are also eligible to participate in the Scheme provided that the participation of and the actual number of Shares to be issued to them and the terms of any Option to be granted to each Controlling Shareholder or Associate of Controlling Shareholder shall be approved by independent Shareholders in separate resolutions for each such person subject to the following:–
- (a) the aggregate number of Shares which may be offered by way of grant of Options to Scheme Participants who are Controlling Shareholders or Associates of Controlling Shareholders under the Scheme shall not exceed 25% of the total number of Shares available under the Scheme; and
 - (b) the number of Shares available to each Controlling Shareholder or Associate of a Controlling Shareholder shall not exceed 10% of the Shares available under the Scheme.
- 4.3 There will be no restriction on the eligibility of any Scheme Participant to participate in any other share option or share incentive schemes implemented by any other companies within the Group.
- 4.4 Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the ESOS Committee, which would be exercised judiciously.

5. MAXIMUM ENTITLEMENT

Subject to Rule 4 and Rule 10 of the Scheme:–

- 5.1 in determining the eligibility of the Employees and Executive Directors to participate in the Scheme and the number of Shares comprised in Market Price Options or, as the case may be, Discount Options, to be offered in accordance with the Scheme, the ESOS Committee will take into account criteria such as the grade level, seniority, level of responsibility, years of service, performance evaluation, the potential for future development and their respective contributions to the growth, success and development of the Group. In certain circumstances, the ESOS Committee shall also take into consideration the performance targets met by an eligible Employee or an Executive Director while determining the extent of the participation of that Employee or Executive Director in the Scheme. Examples of performance targets which will be considered by the ESOS Committee include targets based on criteria such as total shareholders' return, economic value added, market share, market ranking, profitability, return on sales and successful completion of a project; and
- 5.2 in determining the eligibility of the Non-Executive Directors and Controlling Shareholders to participate in the Scheme and the number of Shares comprised in Market Price Options or, as the case may be, Discount Options, to be offered in accordance with the Scheme, the ESOS Committee will take into account criteria such as the services and the contributions made by such Non-Executive Director or Controlling Shareholder to the growth, success and development of the Group.

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6. SIZE OF THE SCHEME

- 6.1 The aggregate number of Shares over which the ESOS Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of (i) all Options and Awards granted under the Scheme and the Share Plan; and (ii) all Options or Awards granted under other incentive schemes or share plans adopted by the Company and for the time being in force, shall not exceed 15% of the issued Shares of the Company on the day immediately preceding the Date of Grant of the Option.
- 6.2 Any Shares which are held as Treasury Shares will be disregarded for the purpose of computing the 15% limit.

7. DATE OF GRANT

- 7.1 The ESOS Committee may, save as provided in Rule 4, Rule 5 and Rule 6 above, offer to grant Options to such Scheme Participant as it may select in its absolute discretion at any time during the period when the Scheme is in force, except that no Option shall be granted during the period of 30 days immediately preceding the date of announcement of the Company's interim and/or final results (whichever the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, an offer to grant Options may only be made on or after the second Market Day on which such announcement is released.
- 7.2 The ESOS Committee shall decide, in its absolute discretion, whether to grant a Market Price Option or a Discount Option, the rate of discount for each Discount Option and whether such Options are to be granted subject to conditions and if so, what the applicable conditions are. The letter of offer to grant the Option shall be in, or substantially in, the form set out in Appendix 1.1(a) (in relation to a Market Price Option) or in the form set out in Appendix 1.1(b) (in relation to a Discount Option), subject in each case to such modification as the ESOS Committee may from time to time determine.

8. ACCEPTANCE OF OFFER

- 8.1 An Option offered to a Scheme Participant pursuant to Rule 7 may only be accepted by the Scheme Participant within thirty (30) days after the relevant Date of Grant and not later than 5.00 p.m. on the 30th day from such Date of Grant:—
- (i) by completing, signing and returning to the Company the Acceptance Form in or substantially in the form set out in Appendix 1.2(a) (in relation to a Market Price Option) or in the form set out in Appendix 1.2(b) (in relation to a Discount Option), subject in each case to such modification as the ESOS Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration; and
 - (ii) if, at the date on which the Company receives from the Scheme Participant the relevant Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with these Rules.

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- 8.2 If a grant of Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the thirty (30) day period, automatically lapse and shall forthwith be deemed to be null and void and of no effect.
- (i) The ESOS Committee shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or any Exercise Notice given pursuant to Rule 12 which does not strictly comply with the terms of the Scheme.
 - (ii) Options are personal to the Scheme Participant to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed or encumbered in whole or in part or in any way whatsoever without the ESOS Committee's prior written approval, but may be exercised by the Scheme Participant's duly appointed personal representative as provided in Rule 11.5 in the event of the death of such Scheme Participant.
 - (iii) The Scheme Participant may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Scheme Participant shall accept the offer in multiples of 1,000 Shares.
 - (iv) In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and of no effect and the relevant Scheme Participant shall have no claim whatsoever against the Company.
 - (v) Unless the ESOS Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:–
 - (a) it is not accepted in the manner as provided in Rule 8.1 within the thirty (30) day period; or
 - (b) the Scheme Participant dies prior to his acceptance of the Option; or
 - (c) the Scheme Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
 - (d) the Scheme Participant being an Employee ceases to be in the employment of the Group for any reason whatsoever prior to his acceptance of the Option; or
 - (e) the Company is liquidated or wound-up prior to the Scheme Participant's acceptance of the Option.

9. EXERCISE PRICE

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

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- (ii) a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed 20% of the Market Price; and the Company's Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Scheme at a discount not exceeding the maximum discount as aforesaid.

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

- (i) the performance of the Company and/or the Group, as the case may be;
- (ii) the years of service and individual performance (including the meeting of performance targets) of the eligible Employee or Director or Controlling Shareholder;
- (iii) the contribution of the eligible Employee or Director or Controlling Shareholder to the success and development of the Company and/or the Group; and
- (iv) the prevailing market conditions.

10. VARIATION OF CAPITAL

10.1 If a variation in the number of issued Shares of the Company (whether by way of a capitalization of profits or reserves or rights issue or reduction, subdivision, consolidation or distribution, or otherwise howsoever) should take place, then:-

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

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

10.2 Notwithstanding the provisions of Rule 10.1 above, no such adjustment shall be made (i) if as a result, the Scheme Participant receives a benefit that a Shareholder does not receive; and (ii) unless the ESOS Committee, after considering all relevant circumstances, considers it equitable to do so.

10.3 For the avoidance of doubt:-

- (i) the issue of securities as consideration for an acquisition or a private placement of securities; or

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- (ii) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share buy back mandate granted by Shareholders of the Company (including any renewal of such mandate) is in force,

shall not normally be regarded as a circumstance requiring adjustment.

- 10.4 Upon any adjustment required to be made, the Company shall notify each Scheme Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised (including consequent alterations to the Vesting Schedule). Any adjustment shall take effect upon such written notification being given.

11. EXERCISE PERIOD

- 11.1 Subject as provided in this Rule 11 and Rule 15, a Market Price Option and a Discount Option shall be exercisable, in whole or in part, during the Exercise Period applicable to that Option and subject to and in accordance with the Vesting Schedule and conditions (if any) applicable to that Option.

- 11.2 An Option shall, to the extent unexercised, immediately lapse and become null and void and a Scheme Participant shall have no claim against the Company:–

- (i) subject to Rules 11.2, 11.3 and 11.4, upon the Scheme Participant (exclude the Controlling Shareholder) ceasing to be in the employment of the Company or any of the companies within the Group for any reason whatsoever; or
- (ii) upon the bankruptcy of the Scheme Participant or the happening of any other event which result in his being deprived of the legal or beneficial ownership of such Option; or
- (iii) in the event of misconduct on the part of the Scheme Participant, as determined by the ESOS Committee at its absolute discretion.

For the purpose of Rule 11.2(i), a Scheme Participant (exclude a Controlling Shareholder) shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

- 11.3 If a Scheme Participant (exclude a Controlling Shareholder) ceases to be employed by the Group by reason of his:–

- (i) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the ESOS Committee;
- (ii) redundancy;
- (iii) retirement at or after a legal retirement age; or
- (iv) retirement before that age with the consent of the ESOS Committee,

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or for any other reason approved in writing by the ESOS Committee, he may, at the absolute discretion of the ESOS Committee exercise any unexercised Option within the relevant Exercise Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.4 If a Scheme Participant (excluding a Controlling Shareholder) ceases to be employed by a Subsidiary:–

(i) by reason of the Subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such Subsidiary, being transferred otherwise than to another company within the Group; or

(ii) for any other reason, provided the ESOS Committee gives its consent in writing,

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

11.5 If a Scheme Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the ESOS Committee, be exercised by the duly appointed legal personal representatives of the Scheme Participant within the relevant Exercise Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.6 If a Scheme Participant, who is also an Executive Director, ceases to be a Director for any reason whatsoever, he may, at the absolute discretion of the ESOS Committee, exercise any unexercised Option within the relevant Exercise Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

12. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

12.1 An Option may be exercised in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Scheme Participant giving notice in writing to the Company in or substantially in the form set out in Appendix 1.3(a) (in relation to a Market Price Option) or in the form set out in Appendix 1.3(b) (in relation to a Discount Option) (collectively referred to as the “**Exercise Notice**”), subject in each case to such modification as the ESOS Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the ESOS Committee may require. All payments shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

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- 12.2 Subject to such consents or other required action of any competent authority under any regulations or enactment for the time being in force as may be necessary and subject to the compliance with the terms of the Scheme and the Constitution of the Company, the Company shall, within 10 Market Days after the exercise of an Option, do any one or more of the following in relation to the exercise of such Option as it deems fit in its sole and absolute discretion:–
- (i) allot the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the ESOS Committee may deem fit and the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares, if necessary; and/or
 - (ii) transfer existing Shares to the Scheme Participant, whether such existing Shares are held as Treasury Shares or otherwise.
- 12.3 Shares which are allotted on the exercise of an Option by a Scheme Participant shall be issued, as the Scheme Participant may elect, in the name of CDP to the credit of the securities account of the Scheme Participant maintained with CDP, or to the Scheme Participant's securities sub-account with a CDP Depository Agent, or if such securities account is not available, in the name of the Scheme Participant.
- 12.4 Shares allotted and issued upon the exercise of an Option shall be subject to all provisions of the Constitution of the Company and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights, allotments or other distributions, the Record Date for which is prior to the date such Shares are allotted and issued.
- 12.5 Except as set out in Rule 12.2 and subject to Rule 10, an Option does not confer on a Scheme Participant any right to participate in any new issue of Shares.
- 12.6 Notwithstanding any other Rule of this Scheme to the contrary, and notwithstanding references to subscription, issue and allotment of Shares or New Shares, the Company reserves to itself the right to deliver Treasury Shares in lieu of New Shares to Scheme Participants upon their exercise of Options.

13. MODIFICATIONS TO THE SCHEME

- 13.1 Any or all the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the ESOS Committee, except that:–
- (i) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the ESOS Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of Scheme Participants who, if they exercised their Options in full, would thereby become entitled to Shares representing not less than three-quarters of the total voting rights (or such other requirements as may be prescribed by the SGX-ST) of all the Shares which would be allotted upon exercise in full of all outstanding Options;

APPENDIX I

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

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

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

14. DURATION OF THE SCHEME

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

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15. TAKE-OVER WINDING UP OF THE COMPANY

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

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

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

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Act and, being entitled to do so, gives notice to the Scheme Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Scheme Participants until such specified date or the expiry of the Exercise Period relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11.2, remain exercisable until the expiry of the Exercise Period.

15.2 If, under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Scheme Participants (including Scheme Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1) shall notwithstanding Rule 11 and Rule 12, but subject to Rule 15.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of the period of time prescribed by the order of court sanctioning the compromise or arrangement for the lodgement of the order of court with the Accounting and Corporate Regulatory Authority, or where no such period of time is prescribed in the order of court, such period of time prescribed under the Act, or the date upon which the compromise or arrangement become effective, whichever is earlier (but not after the expiry of the Exercise Period relating thereto), whereupon any unexercised Option shall lapse and becomes null and void, provided always that the date of exercise of any Option shall be before the expiry of the Exercise Period.

15.3 If an order or an effective resolution is passed for the winding up of the Company on the basis of its insolvency, all Options, to the extent unexercised, at the date such order or restriction shall lapse and become null and void.

APPENDIX I

- 15.4 In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if though fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date or after it despatches such notice to each member of the Company give notice thereof to all Scheme Participants (together with a notice of the existence of the provisions of this Rule 15.4) and thereupon, each Scheme Participant (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Scheme Participant credited as fully paid.
- 15.5 If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding-up referred to in Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Scheme Participants, whether by the continuation of their Options or the payment of cash or the grant of other Options or otherwise, a Scheme Participant holding an Option, which is not then exercisable, may not, at the discretion of the ESOS Committee, be permitted to exercise that Option as provided for in this Rule 15.
- 15.6 To the extent that an Option is not exercised within the periods referred to in this Rule 15, it shall lapse and become null and void.

16. ADMINISTRATION OF THE SCHEME

- 16.1 The Scheme shall be administered by the ESOS Committee in its absolute discretion with such powers and duties as may be conferred on it by the Board provided that a member of the ESOS Committee who is a Scheme Participant shall not be involved in the deliberations of the ESOS Committee in respect of the Options to be granted to him in compliance with the requirements of the Catalist Rules.
- 16.2 All determinations or actions of the ESOS Committee with respect to the interpretation and/or implementation of the Scheme shall be decided by the affirmative vote of the majority of the members of the ESOS Committee who are not disqualified from participating by virtue of Rule 16.1 or by way of a written instrument signed by the majority of the members of the ESOS Committee who are not disqualified from participating by virtue of Rule 16.1. In the event of a tie, the chairman of the ESOS Committee shall have a second or casting vote.
- 16.3 The ESOS Committee shall have the power, from time to time to make or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.
- 16.4 Any decision of the ESOS Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to the quantum of discount applicable to a Discount Option pursuant to Rule 9.1 or to disputes as to the interpretation of the Scheme or any Rule, regulation, or procedure thereunder or as to any rights under the Scheme).

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17. NOTICES

- 17.1 Any notice required to be given by a Scheme Participant to the Company shall be sent or made to the registered office of the Company or such other address as may be notified by the Company to him in writing.
- 17.2 Any notices or documents required to be given to a Scheme Participant or any correspondence to be made between the Company and the Scheme Participant shall be given or made by the ESOS Committee (or such person or persons as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at home address according to the records of the Company and if sent by post, shall be deemed to have been given on the day following the date of posting.

18. TERMS OF EMPLOYMENT UNAFFECTED

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

19. TAXES

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

20. COSTS AND EXPENSES OF THE SCHEME

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

APPENDIX I

21. CONDITION OF OPTION

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

22. DISCLAIMER OF LIABILITY

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

23. DISCLOSURE IN ANNUAL REPORT

The Company shall make the following disclosure in its annual report:–

23.1 the name of the members of the ESOS Committee;

23.2 the information required in the table below for the following Scheme Participants:–

- (i) Scheme Participants who are Directors of the Company;
- (ii) Scheme Participants who are Controlling Shareholders and their Associates; and
- (iii) Scheme Participants, other than those in Rules 23.2(i) and 23.2(ii) above who receive Options to subscribe for Shares representing five per cent. (5%) or more of the total number of Shares available under the Scheme.

Name of Scheme Participant	Options granted During financial year under review (including terms)	Aggregate number of Shares over which Options have been granted since commencement of the Scheme to the end of financial year under review	Aggregate number of Shares arising from the Options which have been exercised since commencement of the Scheme to the end of financial year under review	Aggregate number of Shares over which Options are outstanding as at the end of financial year under review

23.3 the number and proportion of Options granted at a discount during the financial year under review in respect of every 10% discount range, up to the maximum quantum of 20% discount granted.

APPENDIX I

24. ABSTENTION FROM VOTING

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

25. DISPUTES

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

26. GOVERNING LAW

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

APPENDIX I

APPENDIX 1.1(a)

**THE TALKMED GROUP SHARE OPTION SCHEME
LETTER OF OFFER
(MARKET PRICE OPTION)**

Serial No. _____

Private and Confidential

[Date]

To: [Name]
[Designation]
[Address]

Dear Sir/Madam

We have the pleasure of informing you that you have been nominated by the ESOS Committee of Directors of TalkMed Group Limited (the "Company") to participate in the TalkMed Group Employee Share Option Scheme (the "Scheme").

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

The Market Price Option shall be exercisable at the relevant times and in respect of that number of Shares specified, as set out in the Vesting Schedule attached in Part A of this letter.

This Market Price Option is personal to you and shall not be transferred, charged, assigned, pledged or otherwise disposed by you, in whole or in part, except with the prior approval of the ESOS Committee (as defined in the Scheme).

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

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

Yours faithfully

**THE ESOS COMMITTEE
TALKMED GROUP LIMITED
TALKMED GROUP EMPLOYEE SHARE OPTION SCHEME**

APPENDIX I

Part A

Vesting Schedule

Subject to the Scheme and to the terms of the accompanying letter of offer, the Market Price Option may normally be exercised, during the Exercise Period, at the following times and in the following manner:–

Period	Percentage of Shares over which the Market Price Option is exercisable
Before the first anniversary of the Date of Grant	: Nil
Between the first anniversary and the second anniversary of the Date of Grant	: _____%
Between the second anniversary and the third anniversary of the Date of Grant	: _____%
Between the third anniversary and the fourth anniversary of the Date of Grant	: _____%
After the fourth anniversary and up to the tenth anniversary of the Date of Grant	: _____%

In relation to the Market Price Option, if the Scheme Participant, during any of the periods specified above, exercises that Market Price Option for such number of Shares which in aggregate represents less than the number of Shares for which the Scheme Participant may exercise in respect of such period, the balance of the Shares comprised in that Market Price Option for which the Scheme Participant could have exercised (but did not exercise) in that period shall be carried forward and added to the number of Shares (but shall not be taken into account in determining the number of Shares) in respect of which the Scheme Participant may exercise in the next succeeding period or periods.

APPENDIX I

APPENDIX 1.1(b)

THE TALKMED GROUP SHARE OPTION SCHEME LETTER OF OFFER (DISCOUNT OPTION)

Serial No. _____

Private and Confidential

[Date]

To: [Name]
[Designation]
[Address]

Dear Sir/Madam

We have the pleasure of informing you that you have been nominated by the ESOS Committee of Directors of TalkMed Group Limited (the "Company") to participate in the TalkMed Group Employee Share Option Scheme (the "Scheme").

Accordingly, an offer is hereby made to grant you a Discount Option (as defined in the Scheme), in consideration of the payment of a sum of S\$1.00, to subscribe for and be allotted _____ ordinary shares in the capital of the Company (the "Shares") at the discounted price of S\$_____ per Share (being the subscription price of S\$ less a discount of _____%).

The Discount Option shall be exercisable at the relevant times and in respect of that number of Shares specified, as set out in the Vesting Schedule attached in Part A of this letter.

This Discount Option is personal to you and shall not be transferred, charged, assigned, pledged or otherwise disposed by you, in whole or in part, except with the prior approval of the ESOS Committee (as defined in the Scheme).

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

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

Yours faithfully

THE ESOS COMMITTEE
TALKMED GROUP LIMITED
TALKMED GROUP EMPLOYEE SHARE OPTION SCHEME

APPENDIX I

Part A

Vesting Schedule

Subject to the Scheme and to the terms of the accompanying letter of offer, the Discount Option may normally be exercised, during the Exercise Period, at the following times and in the following manner:–

Period	Percentage of Shares over which the Discount Options exercisable
Before the second anniversary of the Date of Grant	: Nil
Between the second anniversary and the third anniversary of the Date of Grant	: _____%
Between the third anniversary and the fourth anniversary of the Date of Grant	: _____%
Between the fourth anniversary and up to the tenth anniversary of the Date of Grant	: _____%

In relation to the Discount Option, if the Scheme Participant, during any of the periods specified above, exercises that Discount Option for such number of Shares which in aggregate represents less than the number of Shares for which the Scheme Participant may exercise in respect of such period, the balance of the Shares comprised in that Discount Option for which the Scheme Participant could have exercised (but did not exercise) in that period shall be carried forward and added to the number of Shares (but shall not be taken into account in determining the number of Shares) in respect of which the Scheme Participant may exercise in the next succeeding period or periods.

APPENDIX I

APPENDIX 1.2(a)

**THE TALKMED GROUP EMPLOYEE SHARE OPTION SCHEME
ACCEPTANCE FORM
(MARKET PRICE OPTION)**

Serial No. _____

Private and Confidential

To: The ESOS Committee
TalkMed Group Employee Share Option Scheme
TalkMed Group Limited
101 Thomson Road
#09-02 United Square
Singapore 307591

Closing Date and Time for Acceptance of Offer _____

Number of ordinary shares in the capital of the
Company (the "Shares") offered _____

Exercise Price per Share S\$ _____

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

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

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

I acknowledge that the Market Price Option shall be exercisable at the relevant times and in respect of that number of Shares specified, as set out in the Vesting Schedule attached in Part A of the letter of offer.

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

I acknowledge and confirm that I shall be responsible for all the fees of CDP (if any) relating to or in connection with the allotment and issue of any Shares in CDP's name, to the credit of my securities account with CDP or my securities sub-account with a Depository Agent (as the case may be) (collectively, the "CDP Charges").

APPENDIX I

I further acknowledge and confirm that you have not made any representation to induce me to accept the offer and that the terms of the letter of offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

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

Please print in block letters

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

* **Please delete accordingly.**

Notes:-

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

APPENDIX I

APPENDIX 1.2(b)

**THE TALKMED GROUP EMPLOYEE SHARE OPTION SCHEME
ACCEPTANCE FORM
(DISCOUNT OPTION)**

Serial No. _____

Private and Confidential

To: The ESOS Committee
TalkMed Group Employee Share Option Scheme
TalkMed Group Limited
101 Thomson Road
#09-02 United Square
Singapore 307591

Closing Date and Time for Acceptance of Offer _____

Number of ordinary shares in the capital of the
Company (the "Shares") offered _____

Exercise Price per Share S\$ _____

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

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

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

I acknowledge that the Discount Option shall be exercisable at the relevant times and in respect of that number of Shares specified, as set out in the Vesting Schedule attached in Part A of the letter of offer.

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

I acknowledge and confirm that I shall be responsible for all the fees of CDP (if any) relating to or in connection with the allotment and issue of any Shares in CDP's name, to the credit of my securities account with CDP or my securities sub-account with a Depository Agent (as the case may be) (collectively, the "CDP Charges").

APPENDIX I

I further acknowledge and confirm that you have not made any representation to induce me to accept the offer and that the terms of the letter of offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

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

Please print in block letters

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

* **Please delete accordingly.**

Notes:–

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

APPENDIX I

APPENDIX 1.3(a)

**THE TALKMED GROUP EMPLOYEE SHARE OPTION SCHEME
EXERCISE NOTICE
(MARKET PRICE OPTION)**

Serial No. _____

Private and Confidential

To: The ESOS Committee
TalkMed Group Share Option Scheme
TalkMed Group Limited
101 Thomson Road
#09-02 United Square
Singapore 307591

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

Number of Shares previously allotted and issued thereunder :

Outstanding balance of Shares to be allotted and issued thereunder :

Number of Shares now to be subscribed :

1. Pursuant to your letter of offer dated _____ ("Date of Grant") and my acceptance thereof, I hereby exercise the Market Price Option to subscribe for Shares in the capital of TalkMed Group Limited (the "Company") at the price of S\$ _____ per Share.

APPENDIX I

2. I hereby request the Company to allot and issue the number of Shares specified in paragraph 1 above in the name of The Central Depository (Pte) Limited (“CDP”) to the credit of my securities account with CDP or my securities sub-account with a Depository Agent specified below and to deliver the share certificate(s) relating thereto to CDP. I further agree to bear such fees and other charges as may be imposed by CDP (the “CDP Charges”) in respect thereof:

* (a) Direct Securities Account Number : _____

or

* (b) Securities Sub-Account Number : _____

Name of Depository Agent : _____

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

Please print in block letters

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

* **Please delete accordingly.**

Notes:–

1. A Market Price Option may be exercised, in whole or in part, provided that a Market Price Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof.
2. The Exercise Notice must be forwarded to the ESOS Committee in an envelope marked “Private and Confidential”.
3. The Scheme Participant shall be informed by the Company of the relevant CDP Charges payable at the time of the exercise of the Market Price Option.

APPENDIX I

APPENDIX 1.3(b)

**THE TALKMED GROUP EMPLOYEE SHARE OPTION SCHEME
EXERCISE NOTICE
(DISCOUNT OPTION)**

Serial No. _____

Private and Confidential

To: The ESOS Committee
TalkMed Group Employee Share Option Scheme
TalkMed Group Limited
101 Thomson Road
#09-02 United Square
Singapore 307591

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

Number of Shares previously allotted and issued thereunder :

Outstanding balance of Shares to be allotted and issued thereunder :

Number of Shares now to be subscribed :

1. Pursuant to your letter of offer dated _____ ("Date of Grant") and my acceptance thereof, I hereby exercise the Discount Option to subscribe for _____ Shares in the capital of TalkMed Group Limited (the "Company") at the discounted price of S\$_____ per Share.

APPENDIX I

2. I hereby request the Company to allot and issue the number of Shares specified in paragraph 1 above in the name of The Central Depository (Pte) Limited (“CDP”) to the credit of my securities account with CDP or my securities sub-account with a Depository Agent specified below and to deliver the share certificate(s) relating thereto to CDP. I further agree to bear such fees and other charges as may be imposed by CDP (the “CDP Charges”) in respect thereof:–

* (a) Direct Securities Account Number : _____

or

* (b) Securities Sub-Account Number : _____

Name of Depository Agent : _____

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

Please print in block letters

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

* **Please delete accordingly.**

Notes:–

1. A Discount Option may be exercised, in whole or in part, provided that a Discount Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof.
2. The Exercise Notice must be forwarded to the ESOS Committee in an envelope marked “Private and Confidential”. The Scheme Participant shall be informed by the Company of the relevant CDP Charges payable at the time of the exercise of the Discount Option.

APPENDIX II

PROPOSED RULES OF THE TALKMED GROUP PERFORMANCE SHARE PLAN

1. TALKMED GROUP PERFORMANCE SHARE PLAN

The TalkMed Group Performance Share Plan shall mean the performance share plan herein, as modified or altered from time to time and shall be referred to as the Share Plan.

2. DEFINITIONS

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

“Act or Companies Act”	:	Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
“Associate”	:	(A) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:- (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (B) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Auditors”	:	The auditors of the Company for the time being
“Award”	:	A contingent award of Shares granted under the Share Plan
“Award Date”	:	In relation to an Award, the date on which the Award is granted

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“Award Participant”	:	The persons who has been granted an Award pursuant to the Share Plan
“Board of Directors”	:	The board of directors or directors of the Company
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	Section B, the listing manual of the SGX-ST, as amended, supplemented or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	The circular to Shareholders dated 13 April 2016
“Company”	:	TalkMed Group Limited
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	:	<p>A person who:–</p> <p>(A) holds directly or indirectly 15% or more of all voting shares in the company, unless determined by SGX-ST that such person is not a controlling shareholder; or</p> <p>(B) in fact exercises control over a company</p> <p>For the purpose of the Share Plan, Controlling Shareholders shall include their Associates.</p>
“CPF”	:	Central Provident Fund
“Director”	:	A director of the Company as at the date of this Circular and the term “Directors” shall be construed accordingly
“Employee”	:	An employee of the Group (including any Director) selected by the PSP Committee to participate in the Share Plan in accordance with the Rules of the Share Plan
“Executive Director”	:	A Director who is an employee of the Group and performs an executive function, excluding Directors who are Controlling Shareholders and Directors who are Associates of Controlling Shareholders

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“Group”	:	The Company and its Subsidiaries, collectively
“Independent Director”	:	An independent Director of the Company
“New Shares”	:	The New Shares which may be allotted and issued from time to time to an Award under the Share Plan
“Non-Executive Director”	:	A Director other than an Executive Director
“Potential Participant”	:	The person(s) who may be selected by the PSP Committee to be granted an Award pursuant to the Share Plan
“Share Plan”	:	The proposed performance share plan, as modified or altered from time to time
“PSP Committee”	:	The committee designated to administer the Share Plan, shall comprise Mr Chandra Das s/o Rajagopal Sitaram, Mr Sitoh Yih Pin, Mr Lim Teong Jin George and Dr Ang
“Record Date”	:	In relation to any dividends, rights allotment or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Released Award”	:	An Award which has been released in accordance with Rule 7
“Release Schedule”	:	In relation to an Award, a schedule in such form as the PSP Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be released on the performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period
“Rules” or “Rules of the Share Plan”	:	Rules of the Share Plan as set out in the Appendix II to the Circular and any reference to a particular Rule shall be construed accordingly
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“SGX-ST”	:	Singapore Exchange Securities Trading Limited

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“Shareholders”	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term Shareholders shall, in relation to such Shares and where the context so admits, mean the Depositors in the Depository Register maintained by the CDP and whose Securities Accounts are credited with those Shares. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
“Share” or “Shares”	:	Ordinary shares in the capital of the Company
“Sponsor”	:	Hong Leong Finance Limited
“Subsidiary”	:	Has the meaning ascribed to it in Section 5 of the Companies Act
“Vesting Date”	:	In relation to Shares which are the subject of a Released Award, the date (as determined by the PSP Committee and notified to the relevant Award Participant) on which those Shares will vest pursuant to Rule 7
“Vesting Period”	:	In relation to an Award, a period or periods, the duration of which is to be determined by the PSP Committee at the Award Date
“S\$” or “\$” and “cents”	:	Singapore dollar and cents respectively
“%” or “per cent.”	:	Per centum or percentage

The terms Depositor and Depository Register shall have the meanings ascribed to them respectively by Section 130A of the Act.

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

Any reference in this Share Plan to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Act, the Catalist Rules or any modification thereof and used in this Share Plan shall have the same meaning assigned to it under the Act, the Catalist Rules or any modification thereof, as the case may be.

Any reference to a time of day in this Share Plan shall be a reference to Singapore time unless otherwise stated.

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

3. RATIONALE FOR THE SHARE PLAN

The Share Plan is a share incentive scheme which will allow the Company, *inter alia*, to target specific performance objectives and to provide an incentive for Potential Participants to achieve these targets. The Directors believe that the new plan will incentivise Potential Participants to excel in their performance and encourage greater dedication and loyalty to the Company and also help to achieve the following positive objectives:–

- (i) to incentivise Employees to excel in their performance and encourage greater dedication and loyalty to the Company;
- (ii) to attract and retain Employees whose contributions are important to the long-term growth and profitability of the Group;
- (iii) to recognise and reward past contributions and services and motivate Employees to continue to strive for the Groups long-term prosperity; and
- (iv) to develop a participatory style of management which instils loyalty and a stronger sense of identification with the long-term goals of the Group.

4. ELIGIBILITY

4.1 Persons who are eligible to participate in the Share Plan must be:–

- (i) Employees who are confirmed full-time employees of the Company and/or its Subsidiaries who have attained the age of 21 years on or before the Award Date; and
- (ii) Directors of the Company and its Subsidiaries (including Non-Executive Directors);
- (iii) Controlling Shareholders and/or their Associates, who meet the criteria in Rules 4.1(i) or 4.1(ii) above,

who, in the opinion of the PSP Committee, have contributed or will contribute to the success of the Group.

4.2 Persons who are Controlling Shareholders and/or Associates of Controlling Shareholders who meet the criteria in Rules 4.1(i) or 4.1(ii) above are also eligible to participate in the Share Plan provided that the participation of and the actual number of Shares to be issued to them and the terms of any Award to be granted to each Controlling Shareholder or Associate of Shareholder shall be approved by independent Shareholders in separate resolutions for each such person subject to the following:–

- (i) the aggregate number of Shares in respect of the Awards which may be awarded to Award Participants who are Controlling Shareholders or Associates of Controlling Shareholders under the Share Plan shall not exceed 25% of the total number of Shares which may be granted under the Share Plan; and

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- (ii) the number of Shares in respect of the Awards available to each Controlling Shareholder or Associate of a Controlling Shareholder shall not exceed 10% of the Shares which may be granted under the Share Plan.

- 4.3 There shall be no restriction on the eligibility of any Potential Participant to participate in any other share option or share incentive schemes implemented or to be implemented by the Company or another company within the Group.
- 4.4 Subject to the Act and any requirements of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the Share Plan may be amended from time to time at the absolute discretion of the PSP Committee.

5. GRANT OF AWARDS

- 5.1 Subject to Rule 8, the PSP Committee may grant Awards to Potential Participants, as the PSP Committee may select, in its absolute discretion, at any time during the period when the Share Plan is in force.
- 5.2 The number of Shares which are the subject of each Award to be granted to an Award Participant in accordance with the Share Plan shall be determined at the absolute discretion of the PSP Committee, which shall take account criteria such as, *inter alia*, the grade level, scope of responsibilities, performance, years of service and potential for future development and the extent of effort and resourcefulness with which the performance target(s) may be achieved within the performance period.

The performance targets will be set by the PSP Committee depending on each individual Award Participant's job scope and responsibilities. The performance targets shall take into account both the medium and long-term corporate objectives of the Group and the individual performance of the Potential Participant and will be aimed at sustaining long-term growth. The corporate objectives shall cover market competitiveness, business growth and productivity growth. The performance targets could be based on criteria such as sales growth, growth in earnings and/or returns on investments. In addition, the Potential Participant's length of service with the Group, achievement of past performance targets, value-add to the Group's performance and development and overall enhancement to shareholder value, amongst others, will be taken into account.

- 5.3 The PSP Committee shall decide in relation to an Award:–
 - (i) the Award Participant;
 - (ii) the Award Date;
 - (iii) the performance period;
 - (iv) the number of Shares which are the subject of the Award;
 - (v) the performance target(s) which shall be set according to the specific roles of each Award Participant, and which may differ from Award Participant to Award Participant;
 - (vi) the prescribed Vesting Period(s);

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- (vii) the Release Schedule; and
 - (viii) any other condition which the PSP Committee may determine in relation to that Award, including any restrictions against the disposal or sale of and/or other dealings in the Shares by the Award Participant.
- 5.4 Awards may only be vested and consequently any Shares comprised in such Awards shall only be delivered upon the PSP Committee being satisfied that the Award Participant has achieved the performance targets set forth by the PSP Committee, and the PSP Committee shall have the absolute discretion to determine the extent to which the Shares under that Award shall be released on the prescribed performance targets being satisfied (whether fully or partially) or exceeded, as the case may be, at the end of the prescribed performance period and in making any such determination, the PSP 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 PSP Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance target(s) if the PSP Committee decides that a changed performance target would be a fairer measure of performance.
- 5.5 The PSP Committee may amend or waive the performance period, the performance target(s) and/or the Release Schedule in respect of any Award:–
- (i) in the event of a take-over offer being made for the Shares or if Shareholders approve of or 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 or sell all or substantially all of the assets of the Company; or
 - (ii) if anything happens which causes the PSP Committee to conclude that:–
 - (a) a changed performance target(s) and/or Release Schedule would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (b) the performance target(s) and/or Release Schedule should be waived,and the PSP Committee shall notify the Award Participants of such change or waiver.
- 5.6 As soon as reasonably practicable after making an Award the PSP Committee shall send to each Award Participant an award letter confirming the Award and specifying in relation to the Award:–
- (i) the Award Date;
 - (ii) the performance period;
 - (iii) the number of Shares which are the subject of the Award;
 - (iv) the performance target(s);
 - (v) the prescribed Vesting Periods(s);

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- (vi) the Release Schedule; and
- (vii) any other condition which the PSP Committee may determine in relation to that Award.

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

5.8 An Award or Released Award shall be personal to the Award Participant to whom it is granted and, prior to the allotment to the Award Participant 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 PSP Committee and if an Award Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the PSP Committee, that Award or Released Award shall immediately lapse.

6. EVENTS PRIOR TO THE VESTING DATE

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

- (i) in the event of misconduct on the part of the Award Participant as determined by the PSP Committee in its discretion;
- (ii) subject to Rule 6.2, upon the Award Participant ceasing to be in the employment of the Group for any reason whatsoever;
- (iii) the bankruptcy of the Award Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of an Award; or
- (iv) in the event of 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(ii), the Award 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. Further, for the purpose of determining eligibility to participate in the Share Plan, the secondment of an Employee of the Group to another company within the Group shall not be regarded as a break in his employment with or his having ceased by reason only of such secondment to be a full-time employee of the Group (as applicable).

6.2 In any of the following events, namely:—

- (i) where the Award Participant, ceases to be in the employment of the Group by reason of:—
 - (a) ill health, injury or disability (in each case, evidenced to the satisfaction of the PSP Committee);
 - (b) redundancy;

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- (c) retirement at or after the legal retirement age;
 - (d) retirement before the legal retirement age with the consent of the PSP Committee; or
 - (e) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company of the Group;
- (ii) the death of an Award Participant; or
 - (iii) any other event approved by the PSP Committee,

then the PSP Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the performance period and subject to the provisions of the Share Plan. In exercising its discretion, the PSP Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Award Participant and the extent to which the performance target(s) has been satisfied.

6.3 Without prejudice to the provisions of Rule 5.5, if before the Vesting Date, any of the following occurs:–

- (i) a take-over offer for the Shares becomes or is declared unconditional;
- (ii) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the applicable courts under applicable legislation; or
- (iii) an order being made or a resolution being passed for the winding up of the Company (other than as provided in Rule 6.1(iv) or for amalgamation or reconstruction),

the PSP Committee will consider, at its discretion, and subject to any legal or regulatory requirements, 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 Award Participant. If the PSP Committee decides to release any Award, then in determining the number of Shares to be vested in respect of such Award, the PSP Committee will have regard to the proportion of the performance period which has elapsed and the extent to which the performance target(s) has been satisfied and any legal or regulatory requirements, provided that any Awards not released prior to commencement of the winding up of the Company (whether voluntary or by order of court) shall, upon commencement of such winding up be null and void. Subject to the foregoing, where Awards are released, the PSP Committee will, as soon as practicable after the Awards have been released, procure the allotment to each Award Participant of the number of Shares so determined, such allotment to be made in accordance with Rule 7.

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7. RELEASE OF AWARDS

- 7.1 As soon as reasonably practicable after the end of each performance period, the PSP Committee shall review the performance target(s) specified in respect of that Award and determine whether they have been satisfied and, if so, the extent to which they have been satisfied (whether fully or partially) and the number of Shares to be released.
- 7.2 If the PSP Committee determines in its sole discretion that the performance target(s) has not been satisfied or if the relevant Award Participant has not continued to be an Employee of the Group from the Date of Grant up to the end of the relevant performance period that Award (subject to Rule 6) shall lapse and be of no value and the provisions of Rules 7.2 to 7.10 shall be of no effect.
- 7.3 The PSP Committee shall have the discretion to determine whether the performance target(s) has been satisfied (whether fully or partially) or exceeded and in making any such determination, the PSP Committee shall have the right to make reference to the audited results of the Group or the Company, as the case may be, to take into account such factors as the PSP Committee may determine to be relevant, such as changes in accounting methods, taxes and special events, and further, the right to amend the performance target(s) if the PSP Committee decides that a changed performance target would be a fairer measure of performance.
- 7.4 Subject to the prevailing legislation and the provisions of the Catalist Rules, the Company will deliver Shares to Award Participants upon vesting of their Awards by way of an issue of New Shares or the transfer of Shares to the Award Participant.
- 7.5 In determining whether to issue New Shares or to transfer Shares held in treasury to satisfy the Award, the Company will have the right to take into account factors such as but not limited to the number of Shares to be delivered, the prevailing Market Price of the Shares, the financial effect on the Company of either issuing New Shares or transferring Shares held in treasury.
- 7.6 The PSP Committee will procure, upon approval of the Board of Directors therefore, the allotment or transfer to each Award Participant of the number of Shares which are to be released to that Award Participant pursuant to an Award under Rule 5. Any proposed issue of New Shares will be subject to there being in force at the relevant time the requisite Shareholders approval under the Act for the issue of Shares. Any allotment of New Shares pursuant to an Award will take into account the rounding of odd lots.
- 7.7 Where New Shares are to be allotted or any Shares are to be transferred to an Award Participant pursuant to the release of any Award, the Vesting Date will be a trading day falling as soon as practicable after the review by the PSP Committee referred to in Rule 7.1. On the Vesting Date, the PSP Committee will procure the allotment or transfer to each Award Participant of the number of Shares so determined.
- 7.8 Where New Shares are to be allotted upon the vesting of any Award, the Company shall, as soon as practicable after such allotment, apply through the Sponsor (acting as agent on behalf of SGX-ST) or to the SGX-ST for permission (as the case may be) to deal in and for quotation of such Shares on the SGX-ST.

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7.9 Shares which are allotted or transferred on the release of an Award to an Award Participant shall be issued in the name of, or transferred to, CDP to the credit of either:–

- (i) the Securities Account of that Award Participant maintained with CDP; or
- (ii) the securities sub-account of that Award Participant maintained with a Depository Agent; or
- (iii) the CPF investment account maintained with a CPF agent bank

in each case, as designated by that Award Participant. Until such issue or transfer of such Shares has been effected, that Award Participant shall have no voting rights nor any entitlements to dividends or other distributions declared or recommended in respect of any Shares which are the subject of the Award granted to him.

7.10 New Shares allotted and issued, and existing Shares held in treasury 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 the Act; 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 before the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

8. LIMITATION ON THE SIZE OF THE SHARE PLAN

8.1 The total number of Shares which may be available pursuant to Options and Awards granted under the Scheme and the Share Plan, when aggregated with the aggregate number of Shares available under any other share-based schemes of the Company, shall not exceed 15% of the total issued Shares of the Company (excluding Treasury Shares) from time to time.

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

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, capital reduction, subdivision, consolidation of Shares, distribution or otherwise) shall take place, then:–

- (i) the class and/or number of Shares which are the subject of Awards to the extent not yet vested; and/or
- (ii) the class and/or number of Shares in respect of which future Awards may be granted under the Share Plan,

shall be adjusted in such manner as the PSP Committee may determine at its own discretion to be appropriate.

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- 9.2 Unless the PSP Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requiring adjustment:–
- (i) issue of securities as consideration for an acquisition or a private placement of securities;
 - (ii) cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;
 - (iii) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its Employees including Directors or Employees of the Company pursuant to purchase or option scheme approved by Shareholders in general meeting, including the Share Plan;
 - (iv) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business; and
 - (v) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.
- 9.3 Notwithstanding the provisions of Rule 9.1:–
- (i) 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; and
 - (ii) the adjustment must be made in such a way that an Award Participant will not receive a benefit that a Shareholder does not receive.
- 9.4 Upon any adjustment made, the Company shall notify the Award 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 pursuant to the grant of an Award. Any adjustment shall take effect upon such written notification being given.
- 9.5 Subject to the Rules of the Share Plan, the Share Plan may be modified and/or altered at any time and from time to time by a resolution of the PSP Committee provided that:–
- (i) no modification or alteration shall be made which would adversely affect the rights attaching to any Awards granted prior to such modification or alteration except with the consent in writing of such number of Award Participants who, if their Awards were released to them in full, would become entitled to not less than three-quarters in number of all the Shares which would be issued or delivered, as the case may be, upon the release of in full of all outstanding Awards;
 - (ii) any modifications or alteration which would be to the advantage of Award Participants shall not be made except with the prior approval of the Shareholders in general meeting; and

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- (iii) no modification or alteration shall be made except in compliance with the Catalist Rules or such other stock exchange on which the Shares are quoted or listed and such other regulatory authorities as may be necessary.

10. ADMINISTRATION OF THE SHARE PLAN

- 10.1 The Share Plan shall be administered by the PSP Committee in its absolute discretion with such powers and duties as are conferred on it by the Board of Directors provided that a member of the PSP Committee who is an Award Participant shall not be involved in the deliberations of the PSP Committee in respect of the Awards to be granted to him in compliance with the requirements of the Catalist Rules.
- 10.2 The PSP Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Share Plan) for the implementation and administration of the Share Plan, to give effect to the provisions of the Share Plan and/or to enhance the benefit of the Awards and the Released Awards to the Award Participants, as they may, in their absolute discretion, think fit. Any matter pertaining or pursuant to the Share Plan and any dispute and uncertainty as to the interpretation of the Share Plan, any rule, regulation or procedure thereunder or any rights under the Share Plan shall be determined by the PSP Committee.
- 10.3 Neither the Share Plan nor the grant of Awards under the Share Plan shall impose on the Company or the PSP Committee or any of its members any liability whatsoever in connection with:–
 - (i) the lapsing of any Awards pursuant to any provision of the Share Plan;
 - (ii) the failure or refusal by the PSP Committee to exercise, or the exercise by the PSP Committee of, any discretion under the Share Plan; and/or
 - (iii) any decision or determination of the PSP Committee made pursuant to any provision of the Share Plan.
- 10.4 Any decision or determination of the PSP Committee made pursuant to any provision of the Share Plan (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 Share Plan or any rule, regulation or procedure hereunder or as to any rights under the Share Plan). The PSP Committee shall not be required to furnish any reasons for any decision or determination made by it.

11. NOTICES AND COMMUNICATIONS

- 11.1 Any notice required to be given by an Award Participant to the Company shall be sent or made to the registered office of the Company or such other addresses or facsimile number, and marked for the attention of the PSP Committee, as may be notified by the Company to the Award Participant in writing.
- 11.2 Any notices or documents required to be given to an Award Participant or any correspondence to be made between the Company and the Award Participant shall be given or made by the PSP Committee (or such person or persons as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address according to the records of the Company.

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11.3 Any notice or other communication from an Award 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 an Award Participant shall be deemed to be received by that Award 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 dispatch.

12. MODIFICATIONS TO THE SHARE PLAN

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

- (i) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Award Participants who, if their Awards were released to them upon the performance target(s) for their Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be vested upon release of all outstanding Awards upon the performance target(s) for all outstanding Awards being satisfied in full;
- (ii) any modifications or alteration which would be to the advantage of Award Participants shall not be made except with the prior approval of the Shareholders in general meeting; and
- (iii) no modification or alteration shall be made except in compliance with the Catalist Rules or such other stock exchange on which the Shares are quoted or listed and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(i), the opinion of the PSP 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 PSP Committee under any other provision of the Share Plan or to adjust any Award.

12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the PSP Committee may at any time by resolution (and without other formality, save for the prior approval of the Sponsor (acting as agent on behalf of the SGX-ST) or the SGX-ST (as the case may be)) amend or alter the Share Plan in any way to the extent necessary or desirable, in the opinion of the PSP Committee, to cause the Share Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST or such other stock exchange on which the Shares are quoted or listed)).

12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Award Participants.

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13. TERMS OF EMPLOYMENT UNAFFECTED

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

14. DURATION OF THE SHARE PLAN

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

14.2 The Share Plan may be terminated at any time at the discretion of the PSP Committee, or by an ordinary resolution passed by the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Share Plan is so terminated, no further Awards shall be offered by the Company hereunder.

14.3 Notwithstanding the expiry or termination of the Share Plan, any Awards made to the Award Participants prior to such expiry or termination will continue to remain valid.

15. TAXES

All taxes (including income tax) arising from the grant or release of any Awards to any Award Participants under the Share Plan shall be borne by the Award Participants.

16. COSTS AND EXPENSES OF THE SHARE PLAN

16.1 Each Award 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 Awards in CDP's name, the deposit of share certificate(s) with CDP, the Award Participants' Securities Account with CDP, or the Award Participants' 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 Share Plan to be payable by the Award Participants, all fees, costs and expenses incurred by the Company in relation to the Share Plan including, but not limited to, the fees, costs and expenses relating to the allotment and issue 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 PSP Committee and the Company 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 SGX-ST in accordance with Rule 7.8 or any other stock exchange on which the Shares are listed or quoted.

APPENDIX II

18. DISCLOSURES IN ANNUAL REPORT

18.1 In accordance with the Catalist Rules, the following shall be disclosed by the Company in its annual report as long as the Share Plan continues in operation:–

- (i) The names of the PSP Committee administering the Share Plan;
- (ii) In respect of the following Award Participants of the Share Plan:–
 - (a) Directors;
 - (b) Award Participants who are Controlling Shareholders and their Associates;
 - (c) Award Participants other than those referred to in Rules 18.1(ii)(a) and 18.1(ii)(b) above, who have received Shares pursuant to the vesting of Awards granted under the Share Plan which, in aggregate, represent 5% or more of the total number of Shares available under the Share Plan, the following information will be disclosed:–
 - (1) the name of the Award Participant;
 - (2) aggregate number of Shares comprised in Awards granted to such Award Participant during the financial year under review;
 - (3) aggregate number of Shares comprised in Awards granted to such Award Participant since the commencement of the Share Plan to the end of the financial year under review;
 - (4) aggregate number of Shares issued to such Award Participant under the Share Plan during the financial year under review; and
 - (5) aggregate number of Share comprised in Awards which have not been vested as at the end of the financial year under review; and
- (iii) such other information as may be required by the Catalist Rules or the Act.

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

19. DISPUTES

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

20. ISSUE CONTRARY TO LAW

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

APPENDIX II

21. GOVERNING LAW

The Share Plan shall be governed by, and construed in accordance with the laws of the Republic of Singapore. The Award Participants, by accepting Awards in accordance with the Share Plan, 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)

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

TALKMED GROUP LIMITED

(Company Registration No. 201324565Z)

(Incorporated in Singapore)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of TalkMed Group Limited (“**Company**”) will be held at Alumni Association, The Alumni Medical Centre, 2 College Road, Singapore 169850 on 28 April 2016 at 6.30 p.m. (or as soon as practicable following the conclusion of the annual general meeting of the Company to be held at 6.00 p.m. on the same day and at the same venue) for the purpose of considering, and, if thought fit, passing with or without any modifications, the following Ordinary Resolutions:–

ORDINARY RESOLUTION 1 – THE PROPOSED TALKMED GROUP EMPLOYEE SHARE OPTION SCHEME

THAT:–

- (a) the share option scheme to be known as the “TalkMed Group Employee Share Option Scheme” (“**Scheme**”), particulars of which are set out in the circular dated 13 April 2016 (“**Circular**”), under which options (“**Options**”) to subscribe for ordinary shares (“**Shares**”) in the capital of the Company will be granted to selected Employees and Directors of the Company and its Subsidiaries (including Non-Executive Directors) and Controlling Shareholders and/or their Associates be approved;
- (b) the Board of the Company be and is hereby authorised:–
 - (i) to establish and administer the Scheme;
 - (ii) to modify and/or amend the Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Scheme and to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Scheme;
 - (iii) to offer and grant Options in accordance with the provisions of the Scheme and pursuant to Section 161 of the Companies Act to allot and issue and/or deliver from time to time such number of fully paid-up Shares as may be required to be issued or delivered pursuant to the exercise of Options provided that the aggregate number of Shares available pursuant to the Scheme, the Share Plan and any other share-based schemes of the Company, shall not exceed 15% of the total issued Shares of the Company (excluding any shares held in treasury) from time to time; and
 - (iv) to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this resolution.

ORDINARY RESOLUTION 2 – GRANT OF OPTIONS FOR THE SUBSCRIPTION OF SHARES AT A DISCOUNT

THAT subject to and contingent upon the passing of Ordinary Resolution 1 being approved, approval be given for Options to be granted under the Scheme for the subscription of Shares at subscription prices which may, at the discretion of the committee administering the Scheme, be subject to a discount to the Market Price for the Shares prevailing at the Date of Grant of the

NOTICE OF EXTRAORDINARY GENERAL MEETING

respective Options (such market price to be determined in accordance with the Rules of the Scheme), provided that the maximum discount which may be given shall not exceed 20% of the relevant market price for the Shares applicable to that Option.

ORDINARY RESOLUTION 3 – PROPOSED PARTICIPATION BY DR ANG PENG TIAM IN THE SCHEME

THAT subject to and contingent upon the passing of Ordinary Resolution 1, the participation of Dr Ang Peng Tiam, who is a Controlling Shareholder (as defined in the Listing Manual) of the Company, in the Scheme in accordance with the Rules of the Scheme on the following terms, be and is hereby approved:–

- (i) Proposed Date of Grant of Option(s) : At the discretion of the ESOS Committee pursuant to the proposed Rules of the Scheme appearing in Appendix I
- (ii) Number of Shares comprised in the proposed Options and the Awards : Up to 9,857,145 Shares (representing approximately 1.5% of the total issued Shares as the Latest Practicable Date)
- (iii) Exercise Price per Share for the proposed Options : At the discretion of the ESOS Committee pursuant to Rule 9 of the proposed Rules of the Scheme appearing in Appendix I
- (iv) Exercise Period for the proposed Options : In accordance with Rule 11 of the proposed Rules of the Scheme appearing in Appendix I

For the avoidance of doubt, any proposed grant of Options under the Scheme to Dr Ang Peng Tiam, who is a Controlling Shareholder of the Company, shall be separately approved by the independent Shareholders at a general meeting of the Company.

ORDINARY RESOLUTION 4 – THE PROPOSED TALKMED GROUP PERFORMANCE SHARE PLAN

THAT:–

- (a) the performance share plan to be known as the “TalkMed Group Performance Share Plan” (“**Share Plan**”) particulars of which are set out in the circular dated 13 April 2016 (“**Circular**”), under which awards (“**Awards**”) of fully paid-up shares in the capital of the Company (“**Shares**”) will be granted, free of charge, to Employees and Directors of the Company and its subsidiaries (including Non-Executive Directors) and Controlling Shareholders and/or their Associates be approved.
- (b) the Board of Directors of the Company be and is hereby authorised:–
 - (i) to establish and administer the Share Plan;
 - (ii) to modify and/or amend the Share Plan from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Plan and to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Plan;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iii) to grant Awards in accordance with the provisions of the Share Plan and pursuant to Section 161 of the Companies Act and to allot and issue, transfer and/or deliver from time to time such number of fully paid-up Shares as may be required to be issued or delivered;
- (iv) pursuant to the vesting of Awards provided that the aggregate number of Shares available pursuant to the Share Plan, the Scheme and any other share-based schemes of the Company, shall not exceed 15% of the total issued Shares of the Company (excluding any shares held in treasury) from time to time;
- (v) subject to the same being allowed by law, to apply any share purchased or acquired under any share purchase mandate and to deliver such existing Shares (including any shares held in treasury) towards the satisfaction of Awards granted under the Share Plan; and
- (vi) to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this resolution.

ORDINARY RESOLUTION 5 – PROPOSED PARTICIPATION BY DR ANG PENG TIAM IN THE SHARE PLAN

THAT subject to and contingent upon the passing of Ordinary Resolution 4, the participation of Dr Ang Peng Tiam, who is a Controlling Shareholder (as defined in the Listing Manual) of the Company, in the Share Plan in accordance with the Rules of the Share Plan on the following terms, be and is hereby approved:-

- (i) Proposed Award Date : At the discretion of the PSP Committee pursuant to the proposed Rules of the Share Scheme appearing in Appendix II
- (ii) Number of Shares comprised in the proposed Options and Awards : Up to 9,857,145 Shares (representing approximately 1.5% of the total issued Shares as the Latest Practicable Date)

For the avoidance of doubt, any proposed grant of Awards under the Share Plan to Dr Ang Peng Tiam, who is a Controlling Shareholder of the Company, shall be separately approved by the independent Shareholders at a general meeting of the Company.

By Order of the Board of Directors
TalkMed Group Limited

LIM HENG CHONG BENNY
CHIN SU XIAN
Joint Company Secretaries
13 April 2016

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:--

- (1) A member entitled to attend and vote at the Extraordinary General Meeting ("EGM") is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A member of the Company which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a shareholder of the Company.
- (2) Where a member appoints two (2) proxies, the appointments shall be invalid unless the shareholder specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy in the proxy form.
- (3) The instrument appointing a proxy or proxies must be deposited at the registered address of the Company (at 101 Thomson Road, #09-02 United Square, Singapore 307591) not less than 48 hours before the time of the EGM.
- (4) The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. If the appointor is a corporation, the instrument appointing a proxy or proxies must be executed by the appointor under its common seal or under the hand of an officer, attorney or other person authorised to sign the same. The power of attorney or other authority (if any) or a duly certified copy thereof must be attached to the instrument of proxy.
- (5)
 - (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
 - (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

- (6) A Depositor's name must appear on the Depository Register maintained by the Central Depository (Pte) Limited as at 48 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at EGM.
- (7) The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register at 48 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.
- (8) This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Hong Leong Finance Limited (the "Sponsor"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this notice.

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is:

Name: Mr. Tang Yeng Yuen, Vice President, Head of Corporate Finance

Telephone: (65) 6415-9886

Personal Data Privacy:--

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

TALKMED GROUP LIMITED

(Company Registration Number 201324565Z)

(Incorporated in the Republic of Singapore)

IMPORTANT:-

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

PROXY FORM

(Please see notes overleaf before completing this form)

I/We, _____ (Name) _____ (NRIC/Passport No.)

of _____ (Address)

being a member/members of TALKMED GROUP LIMITED (the "Company"), hereby appoint:-

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

and/or failing him/her (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Extraordinary General Meeting ("EGM") as my/our proxy/proxies to vote for me/us on my/our behalf at the EGM to be held on 28 April 2016 at 6.30 p.m. (or as soon as practicable following the conclusion of the annual general meeting of the Company to be held at 6.00 p.m. on the same day and at the same venue) at Alumni Association, The Alumni Medical Centre, 2 College Road, Singapore 169850, and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

(Please indicate your vote "For" or "Against" with a tick (✓) within the box provided.)

No.	Resolutions relating to:-	For	Against
1.	To approve the proposed TalkMed Group Employee Share Option Scheme ("Scheme").		
2.	To approve the Grant of Options for the subscription of shares at a discount		
3.	To approve the proposed participation by Dr Ang Peng Tiam in the Scheme.		
4.	To approve the proposed TalkMed Group Performance Share Plan ("Share Plan").		
5.	To approve the proposed participation by Dr Ang Peng Tiam in the Share Plan.		

Dated this _____ day of _____ 2016

Total number of Shares in:-	No. of Shares
(a) Depository Register	
(b) Register of Members	

Signature(s) of Shareholders(s)
Or Common Seal of Corporate Shareholder

fold along this line (1)

Affix
Postage
Stamp

The Company Secretary
TALKMED GROUP LIMITED
101 Thomson Road
#09-02 United Square
Singapore 307591

fold along this line (2)

