

**CIRCULAR DATED 30 MARCH 2013**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

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

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.

**BLUMONT**  
——— 博诺有限公司 ———

**BLUMONT GROUP LTD.**

(Company Registration Number 199302554G)  
(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS**

**in relation to**

- (1) THE PROPOSED ADOPTION OF THE BLUMONT EMPLOYEE SHARE OPTION SCHEME 2013;**
- (2) THE PROPOSED ADOPTION OF THE BLUMONT PERFORMANCE SHARE PLAN; AND**
- (3) THE PROPOSED ALTERATION TO ARTICLE 152 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

**IMPORTANT DATES AND TIMES:—**

|  |   |   |
|--|---|---|
| Last date and time for lodgement of Proxy Form | : | 20 April 2013 at 10.30 a.m.   |
| Date and time of Extraordinary General Meeting | : | 22 April 2013 at 10.30 a.m. (or as soon thereafter as the Twentieth Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place is concluded or adjourned) |
| Place of Extraordinary General Meeting         | : | Grand Copthorne Waterfront Hotel<br>392 Havelock Road,<br>Veranda 3, Level 2,<br>Singapore 169663   |

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## DEFINITIONS

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

- “Act” : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
- “AGM” : The twentieth annual general meeting of the Company to be held on 22 April 2013 at 10.00 a.m. at Grand Copthorne Waterfront Hotel, 392 Havelock Road, Veranda 3, Level 2, Singapore 169663
- “Articles of Association” : The articles of association of the Company
- “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 thirty per cent. (30%) or more; and
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more
- “associated companies” : A company in which at least twenty per cent. (20%) but not more than fifty per cent. (50%) of its shares are held by the Company or the Group and in which the Company exercises effective Control
- “Award” : A contingent award of Shares granted under the Blumont PSP
- “Blumont ESOS 2013” : The proposed employee share option scheme to be known as the “Blumont Employee Share Option Scheme 2013”, the terms of which are set out in Appendix I of this Circular, as modified or altered from time to time
- “Blumont PSP” : The proposed performance share plan to be known as the “Blumont Performance Share Plan”, the terms of which are set out in Appendix II of this Circular, as modified or altered from time to time

|                                |   |  |
|--------------------------------|---|--|
| “Blumont Schemes”              | : | Collectively, the Blumont ESOS 2013 and the Blumont PSP  |
| “Board”                        | : | The board of Directors of the Company  |
| “CDP”                          | : | The Central Depository (Pte) Limited   |
| “Circular”                     | : | This circular to Shareholders dated 30 March 2013  |
| “Committee”                    | : | The compensation committee, being a committee comprising Directors of the Company as may be duly authorised and appointed by the Board to administer each of the Blumont ESOS 2013 and the Blumont PSP, which will be overseen by the Remuneration Committee |
| “Companies Amendment Act 2005” | : | The Companies (Amendment) Act 2005 of Singapore  |
| “Company”                      | : | Blumont Group Ltd.   |
| “Control”                      | : | The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company   |
| “Controlling Shareholder”      | : | A person who:–<br><br>(a) holds directly or indirectly fifteen per cent. (15%) or more of the total number of issued Shares excluding treasury shares; or<br><br>(b) in fact exercises Control over the Company  |
| “Date of Grant”                | : | Depending on the context, the date on which an Option is granted to a Scheme Participant or the date on which an Award is granted to a Plan Participant  |
| “Director”                     | : | A person holding office as a director for the time being of the Company, its subsidiaries and/or associated companies, as the case may be  |
| “Discount Option”              | : | The right to subscribe for Shares to be granted pursuant to the Blumont ESOS 2013 and in respect of which, the Exercise Price is set at a discount to the Market Price   |
| “EGM”                          | : | The extraordinary general meeting of the Company, notice of which is set out on pages 78 and 79 of this Circular   |
| “EPS”                          | : | Earnings per Share   |
| “ESOS II”                      | : | The employee share option scheme of the Company approved by the Shareholders on 16 May 2000, which expired on 15 May 2010  |

|                            |   |   |
|----------------------------|---|---|
| “Exercise Period”          | : | <p>The period during which an Option is exercisable being:–</p> <p>(a) in the case of a Market Price Option any time after the 1<sup>st</sup> anniversary of the Date of Grant and before the 5<sup>th</sup> anniversary of such Date of Grant for Non-Executive Directors and the 10<sup>th</sup> anniversary of such Date of Grant for Group Employees; and</p> <p>(b) in the case of a Discount Option any time after the 2<sup>nd</sup> anniversary of the Date of Grant and before the 5<sup>th</sup> anniversary of such Date of Grant for Non-Executive Directors and the 10<sup>th</sup> anniversary of such Date of Grant for Group Employees,</p> <p>subject as provided in Rules 11 and 15 of the Blumont ESOS 2013 and any other conditions as may be introduced by the 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 the Rules of the Blumont ESOS 2013  |
| “Group”                    | : | The Company, its subsidiaries and its associated companies, collectively  |
| “Group Employee”           | : | Any confirmed employee of the Company, its subsidiaries and/or associated companies, as the case may be, (including any Group Executive Director) selected by the Committee to participate in the Blumont ESOS 2013 and/or the Blumont PSP  |
| “Group Executive Director” | : | A Director of the Company, its subsidiaries and/or associated companies, as the case may be, who performs an executive function within the Group  |
| “Immediate family”         | : | In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent  |
| “Independent Director”     | : | An independent director of the Company  |
| “Latest Practicable Date”  | : | The latest practicable date prior to the printing of this Circular, being 18 March 2013   |
| “Listing Manual”           | : | The listing manual of the SGX-ST, as amended or modified from time to time  |
| “Market Day”               | : | A day on which 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 an Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest third decimal place in the event of fractional prices, provided that in the case of a Market Day on which the Shares were not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded |
| “Market Price Option”     | : | The right to subscribe for Shares to be granted pursuant to the Blumont ESOS 2013 and in respect of which the Exercise Price is a price equal to the Market Price   |
| “New Shares”              | : | Depending on the context, new Shares to be issued by the Company following the exercise of Option under the Blumont ESOS 2013 or new Shares to be issued by the Company due to the vesting of the Award under the Blumont PSP   |
| “Non-Executive Directors” | : | A Director of the Company, its subsidiaries and/or associated companies, as the case may be, other than Group Executive Directors and including the Independent Directors, who does not perform an executive function within the Group  |
| “NTA”                     | : | Net tangible assets   |
| “Option”                  | : | A Market Price Option and/or a Discount Option, as the case may be  |
| “Plan Participant”        | : | Participants in the Blumont PSP   |
| “Remuneration Committee”  | : | The Remuneration Committee of the Company from time to time   |
| “Rules”                   | : | Depending on the context, the rules of the Blumont ESOS 2013 or the Blumont PSP, as may be modified or amended from time to time and any reference to a particular Rule shall be construed accordingly  |
| “Scheme Participant”      | : | Participants in the Blumont ESOS 2013   |
| “SGX-ST”                  | : | Singapore Exchange Securities Trading Limited   |
| “Shareholders”            | : | Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares   |
| “Shares”                  | : | The ordinary shares of the Company  |

- “Substantial Shareholder” : A person (including a corporation) who has an interest in not less than five per cent. (5%) of the issued voting Shares of the Company
- “S\$” and “cents” : Singapore dollars and cents, respectively
- “%” or “per cent.” : Per centum or percentage

The words “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Act.

The term “subsidiary” has the meaning ascribed to it in Section 5 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.

Words importing persons shall, where applicable, include corporations.

Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any word defined under the Act and used in this Circular shall have the meaning assigned to it under the Act.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date.

## **BLUMONT GROUP LTD.**

(Company Registration Number 199302554G)  
(Incorporated in the Republic of Singapore)

### **Directors:-**

Neo Kim Hock (*Chairman and Executive Director*)  
James Hong Gee Ho (*Executive Director*)  
Goh Boon Kok (*Lead Independent Director*)  
Calvin Lim Huan Kim (*Independent Director*)  
Ng Su Ling (*Independent Director*)

### **Registered Office:-**

298 Tiong Bahru Road  
#20-02/03 Central Plaza  
Singapore 168730

Date: 30 March 2013

To: The Shareholders of Blumont Group Ltd.

Dear Sir/Madam

- (1) THE PROPOSED ADOPTION OF THE BLUMONT ESOS 2013;**
- (2) THE PROPOSED ADOPTION OF THE BLUMONT PSP; AND**
- (3) THE PROPOSED ALTERATION TO ARTICLE 152 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

### **1. INTRODUCTION**

The Directors of the Company are convening an EGM to be held on 22 April 2013 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the AGM scheduled to be held at 10.00 a.m. on the same day and at the same place) to seek Shareholders' approval for the following:-

- (a) the proposed adoption of the Blumont ESOS 2013;
- (b) the proposed adoption of the Blumont PSP; and
- (c) the proposed alteration to Article 152 of the Articles of Association.

The Company is seeking Shareholders' approval for the proposed alteration to Article 152 of the Articles of Association so as to facilitate the implementation of the Blumont PSP. Accordingly, the proposed adoption of the Blumont PSP is conditional upon the passing of the special resolution relating to the proposed alteration to Article 152 of the Articles of Association.

The purpose of this Circular is to provide Shareholders with information relating to the above proposals and to seek Shareholders' approval in connection therewith at the EGM. The Notice of EGM is set out on pages 78 and 79 of this Circular.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular. If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.



**2. THE PROPOSED ADOPTION OF THE BLUMONT EMPLOYEE SHARE OPTION SCHEME 2013**

**2.1 Expired ESOS II**

**2.1.1 Background**

The ESOS II was adopted by the Company at an extraordinary general meeting held on 16 May 2000 for the purpose of providing an opportunity for Group Employees to participate in its equity. The ESOS II expired on 15 May 2010.

Save for the ESOS II, the Company does not have any other employee share scheme or employee share option scheme in place.

Pursuant to the ESOS II:-

- (a) employees eligible to participate in the ESOS II were to be in the full-time service of the Group;
- (b) options granted under the ESOS II at the then prevailing market price may be exercised not earlier than the first anniversary of the date on which the option was offered;
- (c) options granted under the ESOS II at a discount to the then prevailing market price may be exercised not earlier than the second anniversary of the date on which the option was offered;
- (d) the exercise period of options granted under the ESOS II was for a period ending on the 5<sup>th</sup> anniversary of the date of grant of such options to non-executive directors and the 10<sup>th</sup> anniversary of the date of grant of such options to employees of the Group; and
- (e) the ESOS II was in force for a duration of ten (10) years from 16 May 2000.

**2.1.2 Existing Options Granted under the expired ESOS II**

Details of the options granted to, and the number of Shares issued and allotted upon the exercise of options by, the participants under the ESOS II as at the Latest Practicable Date are as follows:-

| <b>Number of Shares issued and allotted upon exercise of options</b> | <b>Number of Shares for which there are outstanding options</b> | <b>Total number of participants</b> |
|--|---|-------------------------------------|
| 2,500,000  | 27,000,000  | 7                                   |

Details of the options granted to, and the number of Shares issued and allotted upon the exercise of options by, the Directors of the Company under the ESOS II as at the Latest Practicable Date are as follows:-

| Name                                | Date of grant of options | Number of Shares offered under the options granted | Number of Shares issued and allotted upon exercise of options | Number of options cancelled or lapsed |
|-------------------------------------|--------------------------|--|---|---------------------------------------|
| Neo Kim Hock                        | 14 May 2010              | 12,000,000   | –   | –                                     |
| James Hong Gee Ho                   | 14 May 2010              | 10,000,000   | –   | –                                     |
| Richard Chan Sing En <sup>(1)</sup> | 14 May 2010              | 2,000,000  | –   | 2,000,000                             |
| Goh Boon Kok                        | 14 May 2010              | 3,000,000  | 1,500,000   | –                                     |
| Calvin Lim Huan Kim                 | 14 May 2010              | 2,000,000  | 1,000,000   | –                                     |
| Ng Su Ling <sup>(2)</sup>           | –                        | –  | –   | –                                     |

**Notes:-**

- (1) Mr Richard Chan Sing En has ceased to be a Director of the Company with effect from 24 June 2012.  
(2) Ms Ng Su Ling, a current Director, has not been granted any options pursuant to ESOS II.

Executive Directors and Non-Executive Directors who are Controlling Shareholders and Associates of such Controlling Shareholders were not eligible to participate in the ESOS II. No Options were granted to any Controlling Shareholders and their Associates under the ESOS II.

## 2.2 Rationale for the Blumont ESOS 2013

In light of the expiry of the ESOS II on 15 May 2010, the Directors of the Company are proposing to implement the Blumont ESOS 2013. The purpose of the Blumont ESOS 2013 is to provide an opportunity for Directors (including Non-Executive Directors) and Group Employees to participate in the equity of the Company, so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Company and/or the Group.

The Company believes that the implementation of the Blumont ESOS 2013 will enable the Company to structure a competitive remuneration package, which is designed as an additional incentive tool to reward and retain Group Employees and Directors, as well as to achieve the following objectives:-

- (a) to motivate each Scheme Participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) 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;
- (c) to instil loyalty to, and a stronger identification by the Scheme Participant with the long-term development and growth of, the Company;

- (d) to foster an ownership culture within the Company which aligns the interests of employees with the interests of the Shareholders;
- (e) to give recognition to the contributions made or to be made by Non-Executive Directors (including Independent Directors) to the success of the Group; and
- (f) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders.

On 13 March 2013, the SGX-ST granted approval in-principle to the Company for the listing and quotation of the New Shares on the Main Board of the SGX-ST subject to, *inter alia*, Shareholders' approval being obtained for the adoption of the Blumont ESOS 2013. The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Blumont ESOS 2013, the Blumont PSP, the New Shares, the Company and/or its subsidiaries.

## **2.3 Summary of the Blumont ESOS 2013**

A summary of the Rules of the Blumont ESOS 2013 is set out below.

### **2.3.1 Eligibility**

Subject to the absolute discretion of the Committee, the following persons shall be eligible to participate in the Blumont ESOS 2013:–

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

provided that, as at the Date of Grant, such persons have attained the age of 21 years, are not undischarged bankrupts and have not entered into any composition(s) with their respective creditors.

Subject to the absolute discretion of the Committee, Controlling Shareholders and their Associates who meet the criteria as set out above are eligible to participate in the Blumont ESOS 2013, provided that the participation of each Controlling Shareholder or his Associate and each grant of an Option to any of them may only be effected with the specific prior approval of independent Shareholders in general meeting by a separate resolution.

As at the Latest Practicable Date, the Company does not have any Controlling Shareholders. It is, nevertheless, the intention of the Company to extend the Blumont ESOS 2013 to include any Controlling Shareholders or their Associates who may arise in the future and who may be Group Employees or Directors. Subject to the absolute discretion of the Committee and prior to any grant of an Option to any Controlling Shareholders or their Associates, the Company will seek approval from its independent Shareholders for the participation of such person in the Blumont ESOS 2013 and/or the grant of an Option to such person.

For the purposes of assessing the contributions of eligible persons, the 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.

### **2.3.2 Entitlement of Scheme Participants**

Options are personal to the Scheme Participants 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 Committee's prior approval.

### **2.3.3 Size of the Blumont ESOS 2013**

The total number of Shares available for issue under (i) the Blumont ESOS 2013, (ii) the Blumont PSP and (iii) any other share-based incentive schemes of the Company shall not exceed fifteen per cent. (15%) of the total number of issued Shares excluding treasury shares on the day preceding the relevant date of grant of the Options.

The total number of Shares over which Options may be granted under the Blumont ESOS 2013 to Controlling Shareholders and their Associates shall not exceed twenty five per cent. (25%) of the Shares available under the Blumont ESOS 2013, and the number of Shares over which an Option may be granted under the Blumont ESOS 2013 to each Controlling Shareholder or his Associate shall not exceed ten per cent. (10%) of the Shares available under the Blumont ESOS 2013.

The Directors believe that the limit of fifteen per cent. (15%) will give the Company sufficient flexibility to decide upon the number of Options to offer to the Group Employees (including Executive Directors) and Non-Executive Directors. The number of Scheme Participants is expected to grow over the years. The Company, in line with its goals of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of its talent pool which may involve employing new employees. The employee base, and thus the number of Scheme Participants, will increase as a result. The number of Options offered must also be significant enough to serve as a meaningful reward for contribution to the Group.

### **2.3.4 Exercise Price**

Subject to any adjustment pursuant to Rule 10 of the Blumont ESOS 2013, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, on the Date of Grant, at:-

- (a) a price equal to the Market Price; or
- (b) a price which is set at a discount to the Market Price, provided that:-
  - (i) the maximum discount shall not exceed twenty per cent. (20%) of the Market Price (or such other percentage or amount as may be determined by the Committee and permitted by the SGX-ST); and
  - (ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Blumont ESOS 2013 at a discount not exceeding the maximum discount as aforesaid.

In the event that the SGX-ST prescribes or permits a higher percentage of discount, the Company may seek Shareholders' approval for the increase in discount at a general meeting.

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 Scheme 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.

### **2.3.5 Exercise Period**

The period during which an Option is exercisable is:-

- (a) in the case of a Market Price Option any time after the 1<sup>st</sup> anniversary of the Date of Grant and before the 5<sup>th</sup> anniversary of such Date of Grant for Non-Executive Directors and the 10<sup>th</sup> anniversary of such Date of Grant for Group Employees; and
- (b) in the case of a Discount Option any time after the 2<sup>nd</sup> anniversary of the Date of Grant and before the 5<sup>th</sup> anniversary of such Date of Grant for Non-Executive Directors and the 10<sup>th</sup> anniversary of such Date of Grant for Group Employees,

subject as provided in Rules 11 and 15 of the Blumont ESOS 2013 and any other conditions as may be introduced by the Committee from time to time.

### **2.3.6 Details of a Grant of an Option under the Blumont ESOS 2013**

In relation to each Option to be granted to a Scheme Participant under the Blumont ESOS 2013, the Committee shall decide:-

- (a) the date on which the Option is to be granted;
- (b) the number of Shares comprised in the Option to be granted; and
- (c) the discount, if any, to the Market Price of Shares in determining the Exercise Price of the Option to be granted.

The selection of a scheme Participant and the number of Shares comprised in the Option to be granted to a scheme Participant in accordance with the Blumont ESOS 2013 shall be determined at the sole and absolute discretion of the Committee.

### **2.3.7 Acceptance of Options**

An Option offered to a Scheme Participant shall be accepted by the Scheme Participant within thirty (30) days after the Date of Grant and not later than 5.00 p.m. on the 30<sup>th</sup> day of such Date of Grant and the Scheme Participant remains eligible to participate in the Blumont ESOS 2013 on the date of such acceptance. Offers of Options made to Scheme Participants, if not accepted before the closing date, will lapse. Upon acceptance of the offer, the Scheme Participant must complete and provide to the Committee the relevant form of acceptance together with a consideration of S\$1.00.

### **2.3.8 Operation of the Blumont ESOS 2013**

Subject to the prevailing legislation and the rules of the Listing Manual, the Company will have the flexibility to deliver Shares to Scheme Participants upon exercise of their Options by way of:-

- (a) an issue of New Shares; and/or
- (b) subject to applicable laws, the purchase of existing Shares.

The Blumont ESOS 2013 will be administered by the Committee. A scheme Participant who is a member of the Committee shall abstain from deliberation in respect of an Option to be made to that scheme Participant or his Associate.

### **2.3.9 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:-

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

may be adjusted in such manner as the 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.

For the avoidance of doubt:-

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

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

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

### **2.3.10 Modifications to the Blumont ESOS 2013**

Any or all the provisions of the Blumont ESOS 2013 may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:–

- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of 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 of all the Shares which would be allotted upon exercise in full of all outstanding Options;
- (b) any modification or alteration which would be to the advantage of Scheme Participants under the Blumont ESOS 2013 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
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST (if required), and such other regulatory authorities as may be necessary.

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

### **2.3.11 Duration of the Blumont ESOS 2013**

The Blumont ESOS 2013 shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date the Blumont ESOS 2013 is adopted by the Company in general meeting, provided always that the Blumont ESOS 2013 may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in a general meeting and of any relevant authorisations which may then be required.

The Blumont ESOS 2013 may be terminated at any time by the Committee or by resolution of the Shareholders at general meeting subject to all other relevant approvals which may be required and if the Blumont ESOS 2013 is so terminated, no further Options shall be offered by the Company. Notwithstanding the expiry or termination of the Blumont ESOS 2013, any Options granted to Scheme Participants prior to such expiry or termination will continue to remain valid.

### **2.3.12 Ranking of the New Shares**

New 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.

## 2.4 Financial Effects of the Blumont ESOS 2013

Details of the costs to the Company of granting Options under the Blumont ESOS 2013 and the allotment and issue of the New Shares would be as follows:–

### (a) Share Capital

The Blumont ESOS 2013 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.

### (b) EPS

The Blumont ESOS 2013 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. As the monetary cost of granting Options with a discounted Exercise Price is borne by the Company, the earnings of the Company would effectively be reduced by an amount corresponding to the reduced interest earnings that the Company would have received from the difference in proceeds from the Exercise Price with no discount versus the discounted Exercise Price. Such reduction would, accordingly, result in the dilution of the Company's consolidated EPS. For further understanding of the impact on the Company's consolidated EPS arising from the Blumont ESOS 2013 under FRS 102, please refer to section 2.4(d) of this Circular.

However, the impact arising from the Blumont ESOS 2013 on the Company's consolidated EPS is not expected to be material in any given financial year.

### (c) 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.

### (d) Potential Cost of Options

Any Options granted under the Blumont ESOS 2013 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 Blumont ESOS 2013 would be as follows:–

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



- (ii) the grant of Options under the Blumont ESOS 2013 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 Blumont ESOS 2013. The expense will be based on the fair value of the Options at the date of grant (as determined by an option pricing model) and will be recognised over the vesting period. The requirement to recognise an expense in respect of Options granted to employees as set out in FRS 102 is effective for financial period beginning on or after 1 January 2005.

It should be noted that the financial effects discussed in (i) above will materialise only upon the exercise of the relevant Options. The cost of granting Options discussed in (ii) above will be recognised in the financial statements even if the Options are not exercised in (ii). Measured against the cost of granting the Options as described above, the desirable effect of the Blumont ESOS 2013 in attracting, recruiting and motivating directors and employees could, in the long term, yield greater returns for the Company and Shareholders.

## 2.5 Details of the Blumont ESOS 2013

The Rules of the Blumont ESOS 2013 are set out in Appendix I of this Circular.

## 2.6 Disclosures in annual reports

In accordance with the Listing Manual, the following shall be disclosed by the Company in its annual report as long as the Blumont ESOS 2013 continues in operation:–

- (a) the names of the members of the Committee;
- (b) 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 (b)(i) and (b)(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 Blumont ESOS 2013.

| 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 Blumont ESOS 2013 to the end of financial year under review | Aggregate number of Shares arising from the Options which have been exercised since commencement of the Blumont ESOS 2013 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 |
|----------------------------|--|---|---|--|
|                            |  |   |   |  |

(c) the number and proportion of Options granted at a discount during the financial year under review in respect of every ten per cent. (10%) discount range, up to the maximum quantum of twenty per cent. (20%) discount granted; and

(d) such other information as may be required by the Listing Manual or the Act,

provided that if any of the above requirements is not applicable, an appropriate negative statement should be included therein.

The Company will also make an immediate announcement upon any grant of Options and including therein such information as required under Rule 704(29) of the Listing Manual.

## **2.7 Rationale and justification for participation by Non-Executive Directors (including Independent Directors) in the Blumont ESOS 2013**

Under the rules of the Listing Manual, the Group has some flexibility in formulating a scheme 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 Blumont ESOS 2013 is extended to the Non-Executive Directors (including 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 the Group's 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 Blumont ESOS 2013 so as 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 Blumont ESOS 2013, the Non-Executive Directors (including Independent Directors) would primarily continue to be remunerated for their services by way of Directors' fees. It is envisaged that the Options granted to Non-Executive Directors (including Independent Directors) will not comprise (whether on an individual or collective basis) a significant portion of the Options available under the Blumont ESOS 2013.

The Committee when deciding on the selection of Non-Executive Directors to participate in the Blumont ESOS 2013, and the number of Shares to be offered (in accordance with the Blumont ESOS 2013) 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 to him is being considered.

## **2.8 Rationale and justification for participation by Controlling Shareholders and their Associates in the Blumont ESOS 2013**

As at the Latest Practicable Date, the Company does not have any Controlling Shareholders.

It is, nevertheless, the intention of the Company to extend the Blumont ESOS 2013 to include Controlling Shareholders and their Associates who may arise in the future and who may be Group Employees or Directors.

The Company is of the view that all employees of the Group, including those who are Controlling Shareholders or Associates of Controlling Shareholders, should be remunerated for their contribution to the Group on the same basis with no differentiation between employees who are Controlling Shareholders or Associates of Controlling Shareholders and employees who are not. The extension of the Blumont ESOS 2013 to allow the Controlling Shareholders or their Associates to participate in the Blumont ESOS 2013 will ensure that they are equally entitled, with the other Group Employees who are not Controlling Shareholders or Associates of Controlling Shareholders, to take part and benefit from this system of remuneration. The Company is of the view that Controlling Shareholders or Associates of Controlling Shareholders should not be unduly discriminated against by virtue only for their shareholdings in the Company. The Company is also of the view that the extension of the Blumont ESOS 2013 to Controlling Shareholders or Associates of Controlling Shareholders will enhance their long-term commitment to the Group as it will ensure that they will continue to have a stake in the Company even if they decrease their shareholdings in the Company in the future.

As a safeguard against abuse, all members of the Board (and not just members of the Committee) who are neither Controlling Shareholders nor their Associates will be involved in deliberations in respect of Options to be granted to or held by Controlling Shareholders or their Associates and the terms and conditions, including the vesting periods attached to such Options. Furthermore, specific approval of the independent Shareholders is required for the grant of Options to Controlling Shareholders and/or their Associates as well as the actual number of and terms of such Options.

## **2.9 Rationale and justification for participation by Directors and employees of associated companies in the Blumont ESOS 2013**

As at the Latest Practicable Date, the Company does not have any associated companies.

It is, nevertheless, the intention of the Company to extend the Blumont ESOS 2013 to include associated companies which may arise in the future so as to enable the Directors and employees of associated companies to participate in the Blumont ESOS 2013. Such associated companies are companies in which at least twenty per cent. (20%) but not more than fifty per cent. (50%) of its shares are held by the Company or the Group and in which the Company exercises effective Control.

The Company is of the view that the extension of the Blumont ESOS 2013 to Directors and employees of associated companies will serve to motivate these individuals to contribute to the growth of their companies. The contribution of such individuals to the success and development of their companies will in turn benefit the Group from the equity accounting of the higher profits of the associated companies. Therefore it is in the interest of the Company to motivate the Directors and employees of associated companies by allowing them to participate in the Blumont ESOS 2013.

In granting Options to Directors and employees of associated companies, the Committee will consider, *inter alia*, the contribution of such individuals to the success and development of the Company and/or the Group before selecting them for participation in the Blumont ESOS 2013. For the purposes of assessing their contributions, the Committee may adopt a performance framework which incorporates financial and/or non-financial criteria. These criteria include the contribution of the relevant associated company to the net profit after tax and business growth of the Group as well as the years of service of the relevant Director or employee of the associated company.

### **3. THE PROPOSED ADOPTION OF THE BLUMONT PERFORMANCE SHARE PLAN**

#### **3.1 Rationale**

In conjunction with the proposed adoption of the Blumont ESOS 2013, the Company proposes to adopt the Blumont PSP which is an employee share award plan. In addition to the objectives for implementing the Blumont ESOS 2013 as discussed in section 2.2 of this Circular, the Blumont PSP will afford the Company greater flexibility in achieving its objectives by serving as an additional method available to the Group for compensating the Plan Participants rather than merely through salaries, directors' fees, salary increments, cash bonuses and Options, and to make remuneration sufficiently competitive to recruit and retain employees and Non-Executive Directors.

The Blumont PSP contemplates the award of fully paid Shares when or after pre-determined performance targets are accomplished and/or when due recognition should be given to any good work performance and/or any significant contribution to the Group.

Further, the Directors are proposing to implement the Blumont PSP to complement the current practice of paying cash bonus payments to Group Employees. The Company may pay a percentage of a Group Employee's annual cash bonus payment in the form of Shares. The value of Shares to be issued and allotted to such Group Employees shall be based on a pre-determined percentage of the value of the Group Employee's annual bonus and such pre-determined percentage shall be determined at the sole discretion of the Committee. By giving the Group Employees the opportunity to participate in the equity of the Company as opposed to providing solely cash bonus payments for their performance, the Blumont PSP aims to cultivate a greater sense of involvement in the Company amongst the Group Employees. The Company hence believes that the Blumont PSP will be more effective than pure cash bonus payments in motivating Group Employees to put in their best efforts whilst at the same time allowing the Company to offer incentives and remuneration packages compatible with other multi-national companies.

The Company proposes to adopt the Blumont PSP as well as the Blumont ESOS 2013 as, given the inherent characteristics of the Blumont ESOS 2013 and the Blumont PSP, these provide different motivations, and having both the Blumont ESOS 2013 and the Blumont PSP would increase the Company's flexibility and effectiveness in its continuous efforts to reward, retain and motivate employees to achieve superior performance.

The Blumont ESOS 2013 and the Blumont PSP will further strengthen the Company's competitiveness in attracting and retaining talents. The Blumont ESOS 2013 and the Blumont PSP will also incentivise participants to excel in their performance and encourage greater dedication and loyalty to the Company. Through the Blumont ESOS 2013 and the Blumont PSP, the Company will be able to recognise and reward past contributions and services and motivate participants to continue to strive for the Group's long term growth

and prosperity. In addition, the Blumont ESOS 2013 and the Blumont PSP aim to foster an ownership culture within the Group which aligns the interests of participants with the interests of Shareholders.

On 13 March 2013, the SGX-ST granted approval in-principle to the Company for the listing and quotation of the New Shares on the Main Board of the SGX-ST subject to, *inter alia*, Shareholders' approval being obtained for the adoption of the Blumont PSP. The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Blumont ESOS 2013, the Blumont PSP, the New Shares, the Company and/or its subsidiaries.

### **3.2 Summary of the Blumont PSP**

The following is a summary of the Rules of the Blumont PSP.

The Rules of the Blumont PSP are set out in Appendix II of this Circular.

### **3.3 Eligibility**

Subject to the absolute discretion of the Committee, the following persons shall be eligible to participate in the Blumont PSP:–

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

provided that, as at the Date of Grant, such persons have attained the age of 21 years, are not undischarged bankrupts and have not entered into any composition(s) with their respective creditors.

Subject to the absolute discretion of the Committee, Controlling Shareholders and their Associates who meet the criteria as set out above are eligible to participate in the Blumont PSP, provided that the participation of each Controlling Shareholder or his Associate and each grant of an Award to any of them may only be effected with the specific prior approval of independent Shareholders in general meeting by a separate resolution.

As at the Latest Practicable Date, the Company does not have any Controlling Shareholders. It is, nevertheless, the intention of the Company to extend the Blumont PSP to include any Controlling Shareholders or their Associates who may arise in the future and who may be Group Employees or Directors. Subject to the absolute discretion of the Committee and prior to any grant of an Award to any Controlling Shareholders or their Associates, the Company will seek approval from its independent Shareholders for the participation of such person in the Blumont PSP and/or the grant of an Award to such person.

Subject to all applicable laws and any requirements of the SGX-ST, the terms of eligibility for participation in the Blumont PSP may be amended from time to time at the absolute discretion of the Committee.

### **3.4 Grant of Awards**

Awards represent the right of a Plan Participant to receive fully paid Shares free of charge, upon the Plan Participant achieving prescribed performance targets and/or when due recognition should be given to any good work performance and/or significant contribution to the Group.

The selection of a Plan Participant and the number of Shares which are the subject of each Award to be granted to a Plan Participant shall be determined at the absolute discretion of the Committee. The Plan Participant's overall job performance, including his designation and dedication, and potential for future development and contribution to the development and profitability of the Group will be taken into account before an Award is granted to him. In the case of a performance-related Award, the performance targets to be set are intended to be broad-based and shall take into account both the medium-term corporate objectives of the Group and the individual performance of the Plan Participant. The corporate objectives include market competitiveness, quality of returns, business growth and productivity growth. The performance targets could be based on criteria including sales growth, growth in earnings and return on investment.

Where performance targets are determined with respect to or with reference to the audited results of the Company and the Group, the Committee has the right to make computational adjustments to figures extracted from the audited results of the Company or the Group, as the case may be, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and the right to amend the performance targets if the Committee decides that amended performance targets would be a fairer measure of performance.

The Committee may determine the number of Shares to be granted to a Plan Participant under an Award according to a pre-determined dollar amount which the Committee decides that a Plan Participant deserves for meeting his performance targets such that the quantum of Shares comprised in the Award is dependent on the closing price of Shares transacted on the Market Day the Award is vested. Alternatively, the Committee may decide on absolute number of Shares to be awarded to Plan Participants irrespective of the price of the Shares.

Awards may be granted at any time in the course of a financial year, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Awards may only be vested and hence any Shares comprised in such Awards may only be delivered on or after the second Market Day from the date on which the aforesaid announcement was made.

An Award letter confirming the Award will be sent to each Plan Participant as soon as reasonably practicable after the Award is finalised, specifying, *inter alia*, in relation to the Award:–

- (a) in relation to a performance-related Award:–
  - (i) the performance target(s); and
  - (ii) the performance period during which the prescribed performance target(s) are to be satisfied;
- (b) the number of Shares under the Award granted to the Plan Participant;
- (c) the date(s) by which Shares under the Award granted to the Plan Participant shall be vested or released; and
- (d) any other applicable conditions or restrictions including, if applicable, any moratorium period to be observed in relation to any Shares under the Award granted to the Plan Participant.

Awards are personal to the Plan Participant to whom it is given and shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of the Committee.

### **3.5 Vesting of Awards**

Awards may only be vested and consequently any Shares comprised in such Awards shall only be delivered upon (i) the Committee being satisfied that the Plan Participant has achieved the performance targets, subject to the Rules; and/or (ii) due recognition should be given for good work performance and/or significant contribution to the Group.

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

- (a) the termination of the employment of a Plan Participant;
- (b) the ill health, injury, disability or death of a Plan Participant;
- (c) the bankruptcy of a Plan Participant;
- (d) the misconduct of a Plan Participant;
- (e) the Plan Participant, being a Non-Executive Director, ceasing to be a director of the Company for any reason whatsoever; and
- (f) a take-over, winding up or reconstruction of the Company.

### **3.6 Size of the Blumont PSP**

The total number of Shares available for issue under (i) the Blumont PSP, (ii) the Blumont ESOS and (iii) any other share-based incentive schemes of the Company shall not exceed fifteen per cent. (15%) of the total number of issued Shares excluding treasury shares on the day preceding the relevant date of grant of the Awards.

The total number of Shares over which Awards may be granted under the Blumont PSP to Controlling Shareholders and their Associates shall not exceed twenty five per cent. (25%) of the Shares available under the Blumont PSP, and the number of Shares over which an Award may be granted under the Blumont PSP to each Controlling Shareholder or his Associate shall not exceed ten per cent. (10%) of the Shares available under the Blumont PSP.

The Directors believe that the limit of fifteen per cent. (15%) for the Blumont PSP is reasonable, taking into account the nature of the business in the industry, the contributions of the Plan Participants, and the share capital of the Company. The size of the Blumont PSP will give the Company sufficient flexibility to decide on the number of Shares to be awarded under the Blumont PSP.

### **3.7 Duration of the Blumont PSP**

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

The Blumont PSP may be terminated at any time by the Committee or by resolution of the Shareholders at general meeting subject to all other relevant approvals which may be required and if the Blumont PSP is so terminated, no further Awards shall be granted by the Company. Notwithstanding the expiry or termination of the Blumont PSP, any Awards granted to Plan Participants prior to such expiry or termination will continue to remain valid.

### **3.8 Operation of the Blumont PSP**

The Company may deliver Shares pursuant to Awards granted under the Blumont PSP in the form of an issue of New Shares. In determining whether to issue New Shares, the Company will take into account factors such as the number of Shares to be delivered, the prevailing market price of the Shares and the financial effects on the Company of issuing New Shares.

The financial effects of the delivery of Shares to Plan Participants upon vesting of the Awards are set out in section 3.15 of this Circular.

The Company may determine to make a release of an Award, wholly or partly, in the form of cash rather than Shares, in which event the Plan Participant shall receive on the vesting date, in lieu of all or part of the Shares which would otherwise have been allotted or transferred to him, the aggregate market value of such Shares on the vesting date.

New Shares allotted and issued on the release of an Award 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.

For the purposes of the determination of Awards, the Committee has the right to make computational adjustments to figures extracted from the audited results of the Company or the Group, as the case may be, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and the right to amend the performance target(s) if the Committee decides that amended performance target(s) would be a fairer measure of performance.

### **3.9 Adjustments and alterations under the Blumont PSP**

#### **3.9.1 Variation of Capital**

If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves, rights issue, issue of shares for nil consideration, reduction, sub-division, consolidation, distribution or otherwise) shall take place, then:–

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet vested or released (as the case may be);
- (b) the class and/or number of Shares over which future Awards may be granted under the Blumont PSP; and/or
- (c) the maximum number of new Shares which may be issued pursuant to Awards under the Blumont PSP,



shall be adjusted in such manner as the Committee may determine to be appropriate, which will not result in a Plan Participant receiving a benefit that a Shareholder does not receive, except in relation to a capitalisation issue, upon the Auditors (acting as experts and not as arbitrators) having confirmed in writing that, in their opinion, such adjustment is fair and reasonable.

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

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;
- (c) 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 purchases approved by Shareholders in general meeting, including the Blumont PSP and the Blumont ESOS 2013;
- (d) 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;
- (e) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company; and
- (f) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not arbitrators) to be in their opinion, fair and reasonable. No adjustment shall be made if the result of the adjustment would be that a Plan Participant would receive a benefit that a Shareholder does not receive.

### **3.9.2 Modifications or Alterations to the Blumont PSP**

The rules of the Blumont PSP may be modified and/or altered from time to time by a resolution of the Committee, subject to compliance with the Listing Manual and such other regulatory authorities as may be necessary.

No modification or alteration shall be made to the Rules of the Blumont PSP to the advantage of the Plan Participants except with the prior approval of Shareholders in general meeting. Further, no modification or alteration shall be made to the Rules of the Blumont PSP that will result in a Plan Participant receiving a benefit that a Shareholder does not have.

### **3.10 Disclosures in annual reports**

In accordance with the Listing Manual, the following shall be disclosed by the Company in its annual report as long as the Blumont PSP continues in operation:–

- (a) the names of the members of the Committee administering the Blumont PSP;

- (b) the information required in the table below for the following Plan Participants:–
- (i) Plan Participants who are Directors of the Company;
  - (ii) Plan Participants who are Controlling Shareholders and their Associates;
  - (iii) Plan Participants, other than those referred to in (b)(i) and (b)(ii) above, who have received Shares pursuant to the release of Awards under the Blumont PSP, which, in aggregate, represent five per cent. (5%) or more of the total number of Shares available under the Blumont PSP,

the following information:–

| Name of Plan Participant | Aggregate number of Shares comprised in Awards granted during financial year under review (including terms) | Aggregate number of Shares comprised in Awards which have been granted since commencement of the Blumont PSP to the end of financial year under review | Aggregate number of Shares issued or transferred pursuant to the vesting of Awards under the Blumont PSP since commencement of the Blumont PSP to the end of financial year under review | Aggregate number of Shares comprised in Awards which have not been vested as at the end of financial year under review |
|--------------------------|---|--|--|--|
|--------------------------|---|--|--|--|

- (c) that Plan Participants were not required to pay for the grant of any Awards to them; and
- (d) any other information required to be so disclosed pursuant to the Listing Manual and all other applicable laws and requirements,

provided that if any of the above requirements is not applicable, an appropriate negative statement should be included therein.

The Company will also make an immediate announcement upon any grant of Awards and including therein such information as required under Rule 704(29) of the Listing Manual provided that if any of the information so required is not applicable, an appropriate negative statement shall be included instead.

### 3.11 Role and composition of the Committee

The Committee shall be responsible for the administration of the Blumont PSP.

The Committee oversees the executive development in the Group with the aim of building capable and committed management teams through focused management and progressive policies which can attract and retain a pool of talented executives to meet the current and future growth of the Group.

The Committee shall have the power from time to time to make and vary such regulations (not being inconsistent with the Blumont PSP) for the implementation and administration of the Blumont PSP as it deems fit, provided that:–

- (a) any modification or alteration which would be to the advantage of Plan Participants under the Blumont PSP shall be subject to the prior approval of Shareholders in a general meeting;
- (b) the modification or alteration must be made in such a way that a Plan Participant will not receive a benefit that a Shareholder does not receive; and
- (c) no modification or alteration shall be made without due compliance with the Listing Manual and such other regulatory authorities as may be necessary.

Any decision of the Committee made pursuant to any provision of the Blumont PSP (other than a matter to be certified by the auditors of the Company) shall be final and binding, including any decision pertaining to disputes as to the interpretation of the Blumont PSP or any rule, regulation, procedure thereunder as to any rights under the Blumont PSP.

Any Plan Participant of the Blumont PSP who is a member of the Committee shall not be involved in its deliberations in respect of Awards to be granted to or held by that member of the Committee or by his Associate.

### **3.12 Rationale and Justification for Participation by Non-Executive Directors (including Independent Directors) in the Blumont PSP**

As at the Latest Practicable Date, the Non-Executive Directors are Mr Goh Boon Kok, Mr Calvin Lim Huan Kim and Ms Ng Su Ling.

The Non-Executive Directors come from different professions and backgrounds and bring to the Group a wealth of experience in various fields including legal, corporate governance and business management, as well as invaluable guidance in relation to the strategic issues and development of the Company, thus providing the Company with a multi-disciplinary approach in evaluating and considering business issues and opportunities.

Even though the Non-Executive Directors are not involved in the day-to-day running of the Group, they are often consulted on various matters in relation to the business of the Group. They are well regarded for their contributions to the Company. It is therefore proposed that the Blumont PSP be extended to Non-Executive Directors in recognition of their services and contributions to the development and growth of the Group.

Currently, the Non-Executive Directors are remunerated for their services by way of Directors' fees paid in the form of cash. Extending the Blumont PSP to the Non-Executive Directors will provide the Group with an alternative way to remunerate them with cash as it may not always be possible to compensate them fully or appropriately by way of increased Directors' fees.

By implementing the Blumont PSP and giving Non-Executive Directors an opportunity to participate in the equity of the Company, their working relationships with the Group will also be enhanced as it will instil in them a sense of ownership in the Company. The extension of the Blumont PSP to Non-Executive Directors will enable the Group to continue to attract capable individuals to act as Non-Executive Directors.

Before granting any Awards to a Non-Executive Director (including an Independent Director), the Committee will take into consideration, *inter alia*, his performance and contributions to the success and development of the Company. In assessing the performance of the Non-Executive Directors (including Independent Directors), the Company will take into account their attendance at meetings, their membership in various committees in the Company as well as their contributions which include contributions of their experience in the areas of overall business strategies, risk management and investment decisions. The Non-Executive Directors (including Independent Directors) may be appointed as members of the Committee. However, the Rules of the Blumont PSP provide that no member of the Committee shall be involved in any deliberation in respect of Awards to be granted to him.

### **3.13 Rationale and justification for participation by Controlling Shareholders and their Associates in the Blumont PSP**

As at the Latest Practicable Date, the Company does not have any Controlling Shareholders.

It is, nevertheless, the intention of the Company to extend the Blumont PSP to include Controlling Shareholders and their Associates who may arise in the future and who may be Group Employees or Directors.

The Company is of the view that all employees of the Group, including those who are Controlling Shareholders or Associates of Controlling Shareholders, should be remunerated for their contribution to the Group on the same basis with no differentiation between employees who are Controlling Shareholders or Associates of Controlling Shareholders and employees who are not. The extension of the Blumont PSP to allow the Controlling Shareholders or their Associates to participate in the Blumont PSP will ensure that they are equally entitled, with the other Group Employees who are not Controlling Shareholders or Associates of Controlling Shareholders, to take part and benefit from this system of remuneration. The Company is of the view that Controlling Shareholders or Associates of Controlling Shareholders should not be unduly discriminated against by virtue only for their shareholdings in the Company. The Company is also of the view that the extension of the Blumont PSP to Controlling Shareholders or Associates of Controlling Shareholders will enhance their long-term commitment to the Group as it will ensure that they will continue to have a stake in the Company even if they decrease their shareholdings in the Company in the future.

As a safeguard against abuse, all members of the Board (and not just members of the Committee) who are neither Controlling Shareholders nor their Associates will be involved in deliberations in respect of Awards to be granted to or held by Controlling Shareholders or their Associates and the terms and conditions, including the vesting periods (if any) attached to such Awards. Furthermore, specific approval of the independent Shareholders is required for the grant of Awards to Controlling Shareholders and/or their Associates as well as the actual number of and terms of such Awards.

### **3.14 Rationale and justification for participation by Directors and employees of associated companies in the Blumont PSP**

As at the Latest Practicable Date, the Company does not have any associated companies.

It is, nevertheless, the intention of the Company to extend the Blumont PSP to include associated companies which may arise in the future so as to enable the Directors and employees of associated companies to participate in the Blumont PSP. Such associated

companies are companies in which at least twenty per cent. (20%) but not more than fifty per cent. (50%) of its shares are held by the Company or the Group and in which the Company exercises effective Control.

The Company is of the view that the extension of the Blumont PSP to Directors and employees of associated companies will serve to motivate these individuals to contribute to the growth of their companies. The contribution of such individuals to the success and development of their companies will in turn benefit the Group from the equity accounting of the higher profits of the associated companies. Therefore it is in the interest of the Company to motivate the Directors and employees of associated companies by allowing them to participate in the Blumont PSP.

In granting Awards to Directors and employees of associated companies, the Committee will consider, *inter alia*, the contribution of such individuals to the success and development of the Company and/or the Group before selecting them for participation in the Blumont PSP. For the purposes of assessing their contributions, the Committee may adopt a performance framework which incorporates financial and/or non-financial criteria. These criteria include the contribution of the relevant associated company to the net profit after tax and business growth of the Group as well as the years of service of the relevant Director or employee of the associated company.

### **3.15 Financial effects of the Blumont PSP**

#### **3.15.1 Cost of Awards**

As Plan Participants are not required to pay for the grant of the Awards, such grant of Awards will have a financial effect on the Company.

IFRS 2 is effective for the financial statements of the Company for the financial year beginning 1 January 2005. IFRS 2 requires the recognition of an expense in respect of Awards granted under the Blumont PSP with a corresponding increase in the reserve account over the vesting period. The expenses will be based on the fair value of the Awards at the date of the grant and will be recognised over the expected vesting period. As at each financial year ended, the Company will revise its estimated number of Shares under the Awards that are expected to become exercisable on the vesting date and recognise the effect of the revision of estimates in the income statement with a corresponding adjustment to the share options reserve over the remaining vesting period.

The expense recognised in the income statement 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 date of grant, 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 date of grant is used to compute the expense to be recognised in the income statement at the end of each financial year, 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 and if the Awards do not ultimately vest, the amount charged to the income statement would be reversed at the end of the vesting period.

### **3.15.2 Share capital**

The Blumont PSP will result in an increase in the Company's issued share capital only if New Shares are issued to Plan Participants. The number of New Shares issued will depend on, *inter alia*, the size of the Awards granted under the Blumont PSP.

### **3.15.3 NTA**

The Blumont PSP will result in a change to the Company's and Group's income statements, which is equal to the fair value of the Awards over the period from the date of grant of the Awards to the vesting date.

As New Shares are issued under the Blumont PSP, there will be an impact on the NTA of the Company in that the NTA of the Group and the Company would decrease by the amount charged.

Although the Blumont PSP will result in a change to the income statement of the Company and the Group, Awards are granted only on a selective basis and will be granted to Plan Participants that the Company believes have contributed or will significantly contribute value to its success. In particular, the grant of Awards and delivery of Shares to Plan Participants are contingent upon the Plan Participants meeting prescribed performance targets and/or delivering good work performance. Therefore Plan Participants would have contributed to or will contribute significantly to the Company and the Group before the Awards are granted and Shares delivered.

### **3.15.4 EPS**

The Blumont PSP will result in a change to earnings equivalent to the fair value of the Awards at the date of grant over the period from the date of grant of the Awards to the vesting date.

Although the Blumont PSP will have a dilutive impact (to the extent that New Shares are issued pursuant to the Blumont PSP) on the EPS of the Company and the Group, it should again be noted that the delivery of Shares to Plan Participants will generally be contingent upon the Plan Participants meeting the prescribed performance targets and/or delivering good work performance. Accordingly, the earnings of the Company and the Group should have grown before Shares are delivered pursuant to the Awards.

### **3.15.5 Dilutive Impact**

It is expected that the dilutive impact of the Blumont PSP on the NTA per Share and EPS will not be significant as the aggregate number of Shares pursuant to Awards granted under the Blumont PSP will be subject to the size of the Blumont PSP as set out in section 3.6 of the Circular.

## **4. THE PROPOSED ALTERATION TO ARTICLE 152 OF THE ARTICLES OF ASSOCIATION**

### **4.1 Background**

The existing Article 152 of the Articles of Association permits the Company to capitalise its reserves for the purpose of a bonus issue of Shares to its Shareholders.

Article 152 of the Articles of Association is proposed to be altered by (i) the deletion of the term “share premium account” and (ii) the inclusion of a new Article 152(3) so as to facilitate the implementation of the Blumont PSP and any other share incentive or option scheme or plan that may be adopted by the Company.

The Companies Amendment Act 2005 introduced key amendments to the Act resulting in significant changes to the company law regime. Some of the key changes include the abolition of the concepts of par value and authorised capital. With the abolition of the concept of par value, shares of a company will no longer have any par or nominal value. Accordingly, the concepts of share premium and the issue of shares at a discount have also been abolished. All amounts standing to the credit of a company’s share premium account and capital redemption reserves (if any) as at 30 January 2006 would become part of a company’s share capital. Accordingly, the Company proposes to amend Article 152 by deleting all references to “share premium account” and “capital redemption reserve” as following the Companies Amendment Act 2005, any amounts standing to the credit of the Company’s share premium account and the capital redemption reserve become part of its capital.

The Company proposes for the inclusion of a new Article 152(3). The new Article 152(3) provides for the power of Directors of the Company to issue shares for which no consideration is payable and/or to capitalise any profits and reserves, in each case, on terms that such shares shall, upon issue, be held for the benefit of participants of any share incentive or option scheme or plan implemented by the Company.

#### **4.2 The proposed alteration to Article 152 of the Articles of Association**

The alterations which are proposed to be made to Article 152 are set out below.

For ease of reference, the full text of the existing Article 152 which is proposed to be altered has been reproduced, and deletions and insertions have been highlighted.

*Article 152*

#### **BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES**

152. (1) Subject to the approval of the Company in General Meeting (whether such approval is pursuant to an authorisation to the Directors to exercise the power of the Company to issue shares generally pursuant to Article 6 or otherwise), the Directors may resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of (i) any of the Company’s reserve funds (~~whether of a capital or income nature~~) or (ii) the profit and loss account or otherwise available for distribution; and accordingly that in either case such sum be set free for distribution amongst the Members entitled to receive distributions by way of dividends and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares of such Members respectively or paying up in full ~~new~~ unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Members or their nominees in the proportion aforesaid or partly in the one way and partly in the other.

~~Provided That a share premium account and a capital redemption reserve fund may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to Members or their nominees as fully paid bonus shares unless otherwise permitted by the provisions of the Act.~~

- (2) Whenever such resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the amounts resolved to be capitalised thereby and all allotments and issues of fully or partly paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provision for the satisfaction of the right of any Member under such resolution to a fractional part of a share by payment in cash or otherwise as they think fit and also to authorise any person to enter on behalf of the Members entitled thereto or their nominees into an agreement with the Company providing for the allotment to them respectively credited as fully or partly paid-up of any further shares to which they may be entitled upon such capitalisation or, as the case may be, for the payment by the Company on their behalf, by the application thereto of their respective proportions of the amounts to be capitalised, of the amounts or any part of the amounts remaining unpaid on these existing shares or debentures. Any agreement made under such authority shall be effective and binding on all such Members and their nominees.
- (3) In addition and without prejudice to the powers provided for by Articles 152(1) and 152(2), the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit.

## 5. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTEREST

### 5.1 Interests in the Company

The Directors and Substantial Shareholders of the Company and their respective interests in the issued share capital of the Company as at the Latest Practicable Date are set out below:—

|  | Direct Interest            |                  | Deemed Interest               |                  |
|--|----------------------------|------------------|-------------------------------|------------------|
|  | No. of Shares              | % <sup>(1)</sup> | No. of Shares                 | % <sup>(1)</sup> |
| <b><u>Directors</u></b>                |                            |                  |                               |                  |
| Neo Kim Hock                           | —                          | —                | 243,379,027 <sup>(2)</sup>    | 14.36            |
| James Hong Gee Ho                      | 5,000,000                  | 0.30             | 10,200,000 <sup>(2)</sup>     | 0.60             |
| Goh Boon Kok                           | 1,500,000                  | 0.09             | —                             | —                |
| Calvin Lim Huan Kim                    | 1,000,000                  | 0.06             | —                             | —                |
| Ng Su Ling                             | 32,718,332                 | 1.93             | 20,032,000 <sup>(2)</sup>     | 1.18             |
| <b><u>Substantial Shareholders</u></b> |                            |                  |                               |                  |
| Neo Kim Hock                           | —                          | —                | 243,379,027 <sup>(2)</sup>    | 14.36            |
| Clear Water Developments Sdn Bhd       | 180,000,000                | 10.62            | —                             | —                |
| Ooi Cheu Kok                           | 55,052,000                 | 3.25             | 114,066,000 <sup>(2)</sup>    | 6.73             |
| Sun Spirit Group Limited               | 143,500,000 <sup>(3)</sup> | 8.47             | —                             | —                |
| IPCO International Limited             | 2,956,868                  | 0.18             | 161,600,000 <sup>(3)(4)</sup> | 9.53             |



**Notes:-**

- (1) Based on the issued share capital of 1,695,004,586 Shares as at the Latest Practicable Date.
- (2) Shareholdings held through various nominees.
- (3) Sun Spirit Group Limited is holding 135,000,000 Shares on trust for and on behalf of its holding company, IPCO International Limited.
- (4) IPCO International Limited is deemed interested in the Shares held by Sun Spirit Group Limited and its other subsidiaries by virtue of Section 4 of the Securities and Futures Act (Cap. 289) of Singapore.

## **5.2 Interests in the Blumont Schemes**

All the Directors of the Company are eligible to participate in the Blumont ESOS 2013 and the Blumont PSP. They are therefore deemed to be interested in the Blumont ESOS 2013 and the Blumont PSP.

Save for Mr Neo Kim Hock, none of the other Substantial Shareholders are eligible to participate in the Blumont ESOS 2013 and the Blumont PSP. They therefore have no interest in the Blumont Schemes.

## **6. ABSTENTION FROM VOTING**

Any Shareholder entitled to participate or who is interested in the Blumont ESOS 2013 or the Blumont PSP should abstain from voting at the EGM in respect of all the ordinary resolutions relating to the Blumont ESOS 2013 or the Blumont PSP (as the case may be). Such Shareholders should also not accept nominations as proxies in respect of the aforesaid ordinary resolutions unless the Shareholder concerned shall have given specific instructions as to the manner in which his votes are to be cast.

Shareholders who are eligible to participate in the Blumont ESOS 2013 or the Blumont PSP will abstain from voting on the following ordinary resolutions relating to the Blumont ESOS 2013 or the Blumont PSP, where applicable:-

- (a) implementation of the Blumont ESOS 2013 or the Blumont PSP; and
- (b) discount quantum.

## **7. EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out on pages 78 and 79 of this Circular, will be held at Grand Copthorne Waterfront Hotel, 392 Havelock Road, Veranda 3, Level 2, Singapore 169663 on 22 April 2013 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the AGM scheduled to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions as set out in the Notice of EGM.

## **8. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company not less than 48 hours before the time fixed for the EGM. The completion and lodgment of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the time fixed for the EGM.

## **9. DIRECTORS' RECOMMENDATIONS**

### **9.1 The Blumont Schemes**

All the Directors of the Company will be eligible to participate in the Blumont ESOS 2013 and the Blumont PSP and have therefore refrained from making any recommendation to the Shareholders on the ordinary resolutions relating to the Blumont Schemes as set out in the Notice of EGM due to their interest in the Blumont ESOS 2013 and the Blumont PSP.

### **9.2 The proposed alteration to Article 152 of the Articles of Association**

Having fully considered the rationale relating to the proposed alteration to Article 152 of the Articles of Association set out in this Circular, the Directors are of the opinion that the proposed alteration to Article 152 of the Articles of Association is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the special resolution relating to the proposed alteration to Article 152 of the Articles of Association to be proposed at the EGM.

## **10. 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 Blumont ESOS 2013, the Blumont PSP, the alteration to Article 152 of the Articles of Association, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

## **11. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents may be inspected at the registered office of the Company at 298 Tiong Bahru Road #20-02/03 Central Plaza Singapore 168730 during normal business hours for a period of three (3) months from 30 March 2013, being the date of this Circular:—

- (a) the Memorandum and Articles of Association of the Company;
- (b) the annual report of the Company for its financial year ended 31 December 2012;
- (c) the Rules of the Blumont ESOS 2013; and
- (d) the Rules of the Blumont PSP.

Yours faithfully,  
for and on behalf of the Board of Directors  
Blumont Group Ltd.

Neo Kim Hock  
Chairman and Executive Director

## PROPOSED RULES OF THE BLUMONT EMPLOYEE SHARE OPTION SCHEME 2013

### 1. BLUMONT EMPLOYEE SHARE OPTION SCHEME 2013

The Blumont Employee Share Option Scheme 2013 shall mean the employee share option scheme herein, as modified or altered from time to time and shall be referred to as the Blumont Employee Share Option Scheme 2013.

### 2. DEFINITIONS

In the Blumont ESOS 2013, unless the context otherwise requires, the following words and expressions shall have the following meanings:–

|                        |   |   |
|------------------------|---|---|
| “Act”                  | : | The Companies Act, Chapter 50, as amended or modified from time to time   |
| “Adoption Date”        | : | The date on which the Blumont ESOS 2013 is adopted by the Company in general meeting  |
| “Articles”             | : | The Articles of Association of the Company  |
| “Associated Companies” | : | a company in which at least twenty per cent. (20%) but not more than fifty per cent. (50%) of its shares are held by the Company or the Group and in which the Company exercises effective Control                          |
| “Auditors”             | : | The auditors of the Company for the time being  |
| “Blumont ESOS 2013”    | : | The Blumont Employee Share Option Scheme 2013, as the same may be modified or amended from time to time   |
| “Blumont PSP”          | : | The Blumont Performance Share Plan, as the same may be modified or amended from time to time  |
| “Board”                | : | The board of Directors of the Company   |
| “CDP”                  | : | The Central Depository (Pte) Limited  |
| “Committee”            | : | The compensation committee, being a committee comprising Directors of the Company as may be duly authorised and appointed by the Board to administer the Blumont ESOS 2013, which is overseen by the Remuneration Committee |
| “Company”              | : | Blumont Group Ltd.  |

|                   |   |   |
|-------------------|---|---|
| “Control”         | : | The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company  |
| “CPF”             | : | Central Provident Fund  |
| “Date of Grant”   | : | The date on which an Option is granted to a Scheme Participant pursuant to Rule 7 of the Blumont ESOS 2013  |
| “Director”        | : | A person holding office as a director for the time being of the Company, its Subsidiaries and/or Associated Companies, as the case may be   |
| “Discount Option” | : | The right to subscribe for Shares granted or to be granted pursuant to the Blumont ESOS 2013 and for the time being subsisting, and in respect of which, the Exercise Price is set at a discount to the Market Price  |
| “Exercise Notice” | : | Has the meaning ascribed to it in Rule 12.1   |
| “Exercise Period” | : | <p>The period during which an Option is exercisable being:–</p> <p>(a) in the case of a Market Price Option any time after the 1<sup>st</sup> anniversary of the Date of Grant and before the 5<sup>th</sup> anniversary of such Date of Grant for Non-Executive Directors and the 10<sup>th</sup> anniversary of such Date of Grant for Group Employees; and</p> <p>(b) in the case of a Discount Option any time after the 2<sup>nd</sup> anniversary of the Date of Grant and before the 5<sup>th</sup> anniversary of such Date of Grant for Non-Executive Directors and the 10<sup>th</sup> anniversary of such Date of Grant for Group Employees,</p> <p>subject as provided in Rules 11 and 15 of the Blumont ESOS 2013 and any other conditions as may be introduced by the 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 9.1(a) of the Blumont ESOS 2013 in relation to a Market Price Option or Rule 9.1(b) of the Blumont ESOS 2013 in relation to a Discount Option, as adjusted in accordance with Rule 10 of the Blumont ESOS 2013   |
| “Group”           | : | The Company, its Subsidiaries and Associated Companies, collectively  |

|                            |   |   |
|----------------------------|---|---|
| “Group Employee”           | : | Any confirmed employee of the Company, its Subsidiaries and/or Associated Companies, as the case may be, (including any Group Executive Director) selected by the Committee to participate in the Blumont ESOS 2013 in accordance with Rule 4 of the Blumont ESOS 2013  |
| “Group Executive Director” | : | A Director of the Company, its Subsidiaries and/or Associated Companies, as the case may be, who performs an executive function within the Group  |
| “Independent Director”     | : | An independent Director of the Company  |
| “Listing Manual”           | : | The listing manual of the SGX-ST  |
| “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 an Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest third decimal place in the event of fractional prices, provided that in the case of a Market Day on which the Shares were not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded |
| “Market Price Option”      | : | The right to subscribe for Shares granted or to be granted pursuant to the Blumont ESOS 2013 and for the time being subsisting, and in respect of which the Exercise Price is a price equal to the Market Price   |
| “New Shares”               | : | For the purpose of the Blumont ESOS 2013, means the new Shares which may be allotted and issued from time to time pursuant to the exercise of the Options granted under the Blumont ESOS 2013   |
| “Non-Executive Director”   | : | A Director of the Company, its Subsidiaries and/or Associated Companies, as the case may be, other than Group 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  |
| “Remuneration Committee” | : | The Remuneration Committee of the Company from time to time  |
| “Rules”                  | : | Rules of the Blumont ESOS 2013, as may be modified or amended from time to time and any reference to a particular Rule shall be construed accordingly  |
| “Scheme Participant”     | : | Participants in the Blumont ESOS 2013  |
| “SGX-ST”                 | : | Singapore Exchange Securities Trading Limited  |
| “Shareholders”           | : | The registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the depositors whose securities accounts are credited with the Shares  |
| “Shares”                 | : | Ordinary shares in the capital of the Company  |
| “Subsidiary”             | : | A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Act  |
| “treasury shares”        | : | Means:– <ul style="list-style-type: none"> <li>(a) a share which was (or is treated as having been) purchased by a company in circumstances which Section 76H of the Act applies; and</li> <li>(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</li> </ul> |
| “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 Committee on the Date of Grant of that Option   |

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.

For purposes of the Blumont ESOS 2013, the terms “Associate” and “Controlling Shareholder” shall have the meaning ascribed to it by the Listing Manual or any other publication prescribing rules or regulations for corporations admitted to the Official List of the SGX-ST (as modified, supplemented or amended from time to time).

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 Blumont ESOS 2013 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 Blumont ESOS 2013 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 Blumont ESOS 2013 is a reference to Singapore time.

### **3. RATIONALE FOR THE BLUMONT ESOS 2013**

- 3.1 The Company places emphasis on the recruitment and retention of quality employees with talent in all areas of the Group's operations, and in particular, the drive, leadership, skills, expertise and experience of such persons, as the Company considers these to be qualities that will assist the Group to realise its strategic and long-term business goals.
- 3.2 The Blumont ESOS 2013 will provide Group Employees and Directors 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.
- 3.3 The Blumont ESOS 2013, which also forms an integral and important component of a compensation plan, is designed to reward and retain the Group Employees and Directors whose services are important to the well-being and success of the Group.
- 3.4 The Blumont ESOS 2013 is primarily a share incentive scheme. It recognises the fact that the services of such Group Employees or Directors are important to the current development, growth and success of the Group. Implementation of the Blumont ESOS 2013 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 Group Employees and Directors a real and meaningful stake in the Company and help the Company to achieve the following objectives:–
  - (a) to motivate each Scheme Participant to achieve and maintain a high level of performance and contribution;
  - (b) 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;
  - (c) to foster an ownership culture within the Company which aligns the interests of employees with the interests of the Shareholders; and
  - (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders.

#### **4. ELIGIBILITY**

4.1 The following persons shall be eligible to participate in the Blumont ESOS 2013 at the absolute discretion of the Committee:–

- (a) confirmed Group Employees (including Group Executive Directors); and
- (b) Non-Executive Directors,

Provided that on the relevant date of the Award, such person:–

- (a) has attained the age of twenty-one (21) years; and
- (b) is not an undischarged bankrupt and must not have entered into a composition with his creditors.

Any Director who is a member of the Committee shall not be involved in the Committee's deliberations and decisions in respect of Options to be granted to or held by that Director or his Associate.

4.2 For the purposes of determining eligibility to participate in the Blumont ESOS 2013, the secondment of a Group Employee to another company within the Group shall not be regarded as a break in his employment or his employment having ceased by reason only of such secondment to be a full-time employee of the Group.

4.3 For the avoidance of doubt, persons who are Controlling Shareholders of the Company and/or their Associates who satisfy the requirements of Rule 4.1 above shall also be eligible to participate in the Blumont ESOS 2013 at the absolute discretion of the Committee and in accordance with the applicable requirements of the Rules, provided that:–

- (a) their participation in the Blumont ESOS 2013 prior to the first grant of Options to them is specifically approved by independent Shareholders in a general meeting in separate resolutions for each such Controlling Shareholder or his Associates;
- (b) the actual number and terms of any Options to be granted to them have been specifically approved by independent Shareholders in a general meeting in separate resolutions for each such Controlling Shareholder or his Associates; and
- (c) all conditions for their participation in the Blumont ESOS 2013 as may be required by the regulations of the SGX-ST from time to time are satisfied. In this regard, pursuant to Rule 845 of the Listing Manual, (1) the aggregate number of Shares available to Controlling Shareholders and their Associates must not exceed 25% of the Shares available under the Blumont ESOS 2013; and (2) the number of Shares available to each Controlling Shareholder or his Associate must not exceed 10% of the Shares available under the Blumont ESOS 2013.

4.4 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.

4.5 Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Blumont ESOS 2013 may be amended from time to time at the absolute discretion of the Committee, which will be exercised judiciously.



## **5. MAXIMUM ENTITLEMENT**

Subject to Rule 4 and Rule 10 of the Blumont ESOS 2013:–

- 5.1 in determining the participation in the Blumont ESOS 2013 by the Group Employees and Group Executive Directors and the number of Shares comprised in the Options, to be offered in accordance with the Blumont ESOS 2013, the Committee will take into account criteria such as the rank, 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 Committee will also take into consideration the performance targets met by an eligible Group Employee or a Group Executive Director while determining the extent of the participation of that Group Employee or Group Executive Director in the Blumont ESOS 2013. Examples of performance targets which will be considered by the 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 participation in the Blumont ESOS 2013 by the Non-Executive Directors and the number of Shares comprised in the Options, to be offered in accordance with the Blumont ESOS 2013, the Committee will take into account criteria such as the services and the contributions made by such Non-Executive Director to the growth, success and development of the Group.

## **6. SIZE OF THE BLUMONT ESOS 2013**

- 6.1 The total number of Shares available for issue under (i) the Blumont ESOS 2013, (ii) the Blumont PSP and (iii) any other share-based incentive schemes of the Company shall not exceed fifteen per cent. (15%) of the total number of issued Shares excluding treasury shares on the day preceding the relevant date of grant of the Options.
- 6.2 The aggregate number of Shares for which Options may be granted under the Blumont ESOS 2013 to Controlling Shareholders and their Associates shall not exceed 25% of the Shares available under the Blumont ESOS 2013, and the number of Shares over which an Option may be granted under the Blumont ESOS 2013 to each Controlling Shareholder or his Associate shall not exceed 10% of the Shares available under the Blumont ESOS 2013.

## **7. DATE OF GRANT**

- 7.1 The 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 Blumont ESOS 2013 is in force, except that no Option shall be granted during the period of one (1) month immediately preceding the date of announcement of the Company's full-year results and two (2) weeks before the announcement of the results of the Company for each of the first three quarters of its financial year. 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 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 Committee may from time to time determine.

- 7.3 The Company will make an immediate announcement upon any grant of Options and including therein such information as required under Rule 704(29) of the Listing Manual.

## **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 30<sup>th</sup> day from such Date of Grant:–

- (a) by completing, signing and returning to the Company the acceptance form in or substantially in the form set out in Appendix 1.2(a) (in relation to a Market Price Option) or in or substantially 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 Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration; and
- (b) 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 Blumont ESOS 2013 in accordance with these Rules.

- 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.

- (a) The 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 Blumont ESOS 2013.
- (b) 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 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.
- (c) 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.
- (d) In the event that a grant of an Option results in the 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.
- (e) Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:–
  - (i) it is not accepted in the manner as provided in Rule 8.1 within the thirty (30) day period; or
  - (ii) the Scheme Participant dies prior to his acceptance of the Option; or

- (iii) the Scheme Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
- (iv) the Scheme Participant being a Group Employee ceases to be in the employment of the Group for any reason whatsoever prior to his acceptance of the Option; or
- (v) 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 Committee, at its absolute discretion, on the Date of Grant, at:–

- (a) a price equal to the Market Price; or
- (b) a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed twenty per cent. (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 Blumont ESOS 2013 at a discount not exceeding the maximum discount as aforesaid.

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

- (a) the performance of the Company and its Subsidiaries, as the case may be;
- (b) the years of service and individual performance of the eligible Group Employee or Director;
- (c) the contribution of the eligible Group Employee or Director to the success and development of the Company and/or the Group; and
- (d) 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 capitalisation of profits or reserves or rights issue or reduction, subdivision, consolidation or distribution, or otherwise howsoever) should take place, then:–

- (a) the Exercise Price in respect of the Shares, class and/or number of Shares comprised in the Options to the extent unexercised and the rights attached thereto; and
- (b) 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 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 Committee, after considering all relevant circumstances, considers it equitable to do so.

10.3 For the avoidance of doubt:–

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

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

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

11.3 If a Scheme Participant ceases to be employed by the Group by reason of his:–

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

or for any other reason approved in writing by the Committee, he may, at the absolute discretion of the Committee exercise any unexercised Option within the relevant 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 ceases to be employed by a Subsidiary:–

- (a) 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
- (b) for any other reason, provided the Committee gives its consent in writing,

he may, at the absolute discretion of the 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, whether or not while in the employment of any of the companies within the Group and at the date of his death holds any unexercised Option, such Option shall continue to be exercisable by the duly appointed personal representatives of the Scheme Participant:–

- (a) in the case where death occurs after the first day of the Exercise Period in respect of such Option, within the period of six (6) months after (i) the earlier of the date of cessation of employment or death, or (ii) before the expiry of the Exercise Period in respect of that Option, whichever is earlier, and upon expiry of such period, the Option shall immediately lapse and become null and void; and
- (b) in the case where death occurs before the first day of the Exercise Period in respect of such Option, within the period of six (6) months after the first day of the Exercise Period in respect of that Option, and upon expiry of such period, the Option shall immediately lapse and become null and void.

11.6 If a Scheme Participant is a Director of the Company, he may exercise any Option:–

- (a) in the case where the cessation of employment or cessation to be a Director of the Company, as the case may be, occurs after the first day of the Exercise Period in respect of such Option, within the period of six (6) months after the date of such cessation of employment or such cessation to be a Director or the Company, as the case may be, or before the expiry of the Exercise Period in respect of that Option, whichever is earlier, and upon expiry of such period, the Option shall immediately lapse and become null and void; and

- (b) in the case where the cessation of employment or cessation to be a Director of the Company, as the case may be, occurs before the first day of the Exercise Period in respect of such Option, within the period of six (6) months after the first day of the Exercise Period in respect of that Option and upon 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 Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by 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.
- 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 Blumont ESOS 2013 and the Articles of the Company, the Company shall, within ten (10) Market Days after the exercise of an Option, do any one or more of the following in relation to the exercise of such Option as it deems fit in its sole and absolute discretion:–
  - (a) allot the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit and the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares, if necessary; and/or
  - (b) 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 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 Articles 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 issue of new Shares.

12.6 Notwithstanding any other Rule of this Blumont ESOS 2013 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 BLUMONT ESOS 2013**

13.1 Any or all the provisions of the Blumont ESOS 2013 may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:–

- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of 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 of all the Shares which would be allotted upon exercise in full of all outstanding Options;
- (b) any modification or alteration which would be to the advantage of Scheme Participants under the Blumont ESOS 2013 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
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST (if required), and such other regulatory authorities as may be necessary.

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

13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Blumont ESOS 2013 in any way to the extent necessary to cause the Blumont ESOS 2013 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 BLUMONT ESOS 2013**

14.1 The Blumont ESOS 2013 shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the Adoption Date. Subject to compliance with any applicable laws and regulations in Singapore, the Blumont ESOS 2013 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 Blumont ESOS 2013 may be terminated at any time by the Committee or by resolution of the Shareholders at general meeting subject to all other relevant approvals which may be required and if the Blumont ESOS 2013 is so terminated, no further Options shall be offered by the Company hereunder.

14.3 The termination, discontinuance or expiry of the Blumont ESOS 2013 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.

## **15. TAKE-OVER AND WINDING UP OF THE COMPANY**

15.1 In the event of a take-over or exit offer being made for the Company, 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:-

(a) 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 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

(b) 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, 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 lodgment 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.



- 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 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 BLUMONT ESOS 2013**

- 16.1 The Blumont ESOS 2013 shall be administered by the Committee in its absolute discretion with such powers and duties as may be conferred on it by the Board provided that a member of the Committee who is a Scheme Participant shall not be involved in the deliberations of the Committee in respect of the Options to be granted to him or to his Associate. Further, where Options are proposed to be granted to or held by Controlling Shareholders or their Associates, all members of the Board (and not just members of the Committee) who are not Controlling Shareholders or Associates of Controlling Shareholders, will be involved in the deliberation on the same.
- 16.2 All determinations or actions of the Committee with respect to the interpretation and/or implementation of the Blumont ESOS 2013 shall be decided by the affirmative vote of the majority of the members of the 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 Committee who are not disqualified from participating by virtue of Rule 16.1. In the event of a tie, the chairman of the Committee shall have a second or casting vote.
- 16.3 The Committee shall have the power, from time to time to make or vary such regulations (not being inconsistent with the Blumont ESOS 2013) for the implementation and administration of the Blumont ESOS 2013 as it thinks fit.
- 16.4 Any decision of the Committee, made pursuant to any provision of the Blumont ESOS 2013 (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 Blumont ESOS 2013 or any Rule, regulation, or procedure thereunder or as to any rights under the Blumont ESOS 2013).

## **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 addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee as may be notified by the Company to him in writing.
- 17.2 Any notices or documents required to be given to a Scheme Participant or any correspondence to be made between the Company and a Scheme Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the address and place of business at which he performs the whole or substantially the whole of the duties of his office or employment. Any notice or other communication from a Scheme Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Scheme Participant shall be deemed to be received by that Scheme Participant, when left at the address as aforesaid or, if sent by prepaid post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the date of despatch.

## **18. TERMS OF EMPLOYMENT UNAFFECTED**

- 18.1 The Blumont ESOS 2013 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 Blumont ESOS 2013 or any right which he may have to participate in it or any Option which he may hold and the Blumont ESOS 2013 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 Blumont ESOS 2013 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 Blumont ESOS 2013 shall be borne by that Scheme Participant.

## **20. COSTS AND EXPENSES OF THE BLUMONT ESOS 2013**

- 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 Blumont ESOS 2013 to be payable by the Scheme Participant, all fees, costs and expenses incurred by the Company in relation to the Blumont ESOS 2013 including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Option shall be borne by the Company.

## 21. CONDITION OF OPTION

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

## 22. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained and subject to the Act, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the Blumont ESOS 2013, including but not limited to the Company's delay in allotting and issuing the New Shares or in applying for or procuring the listing of the New Shares on the SGX-ST.

## 23. DISCLOSURE IN ANNUAL REPORT

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Blumont ESOS 2013 continues in operation:–

23.1 the names of the members of the Committee;

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

- (a) Scheme Participants who are Directors of the Company;
- (b) Scheme Participants who are Controlling Shareholders and their Associates; and
- (c) Scheme Participants, other than those referred to in paragraphs (a) and (b) above, who receive Options to subscribe for Shares representing five per cent. (5%) or more of the total number of Shares available under the Blumont ESOS 2013.

| 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 Blumont ESOS 2013 to the end of financial year under review | Aggregate number of Shares arising from the Options which have been exercised since commencement of the Blumont ESOS 2013 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 ten per cent. (10%) discount range, up to the maximum quantum of twenty per cent. (20%) discount granted;

23.4 such other information as may be required by the Listing Manual or the Act; and

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

**24. ABSTENTION FROM VOTING**

Scheme Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the Blumont ESOS 2013, including (a) implementation of the Blumont ESOS 2013; and (b) discount quantum.

**25. DISPUTES**

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

**26. GOVERNING LAW**

The Blumont ESOS 2013 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 Blumont ESOS 2013, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

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**THE BLUMONT EMPLOYEE SHARE OPTION SCHEME 2013**

**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 Committee of Directors of Blumont Group Ltd. (the "**Company**") to participate in the Blumont Employee Share Option Scheme 2013 (the "**Blumont ESOS 2013**").

Accordingly, an offer is hereby made to grant you a Market Price Option (as defined in the Blumont ESOS 2013), 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 Committee (as defined in the Blumont ESOS 2013).

The Option shall be subject to the rules of the Blumont ESOS 2013, a copy of which is available for inspection at the registered office 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 COMMITTEE  
BLUMONT GROUP LTD.  
BLUMONT EMPLOYEE SHARE OPTION SCHEME 2013

## Part A

### Vesting Schedule

Subject to the Blumont ESOS 2013 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 | : _____%   |

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.

THE BLUMONT EMPLOYEE SHARE OPTION SCHEME 2013

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 Committee of Directors of Blumont Group Ltd. (the "**Company**") to participate in the Blumont Employee Share Option Scheme 2013 (the "**Blumont ESOS 2013**").

Accordingly, an offer is hereby made to grant you a Discount Option (as defined in the Blumont ESOS 2013), 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 Committee (as defined in the Blumont ESOS 2013).

The Option shall be subject to the rules of the Blumont ESOS 2013, a copy of which is available for inspection at the registered office 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 COMMITTEE  
BLUMONT GROUP LTD.  
BLUMONT EMPLOYEE SHARE OPTION SCHEME 2013

**Part A**

**Vesting Schedule**

Subject to the Blumont ESOS 2013 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 Option is 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 | : _____%   |

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.



## THE BLUMONT EMPLOYEE SHARE OPTION SCHEME 2013

### ACCEPTANCE FORM (MARKET PRICE OPTION)

Serial No. \_\_\_\_\_

Private and Confidential

To: The Committee  
Blumont Employee Share Option Scheme 2013  
Blumont Group Ltd.  
298 Tiong Bahru Road  
#20-02/03 Central Plaza  
Singapore 168730

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 S\$ \_\_\_\_\_  
(exclusive of the relevant CDP charges)

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 Blumont Employee Share Option Scheme 2013 referred to therein.

I hereby accept the Market Price Option to subscribe for \_\_\_\_\_ Shares at a price of S\$ \_\_\_\_\_ per Share. I enclose a \*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**").

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 constitutes 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 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.

## THE BLUMONT EMPLOYEE SHARE OPTION SCHEME 2013

### ACCEPTANCE FORM (DISCOUNT OPTION)

Serial No. \_\_\_\_\_

Private and Confidential

To: The Committee  
Blumont Employee Share Option Scheme 2013  
Blumont Group Ltd.  
298 Tiong Bahru Road  
#20-02/03 Central Plaza  
Singapore 168730

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 S\$ \_\_\_\_\_  
(exclusive of the relevant CDP charges)

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 Blumont Employee Share Option Scheme 2013 referred to therein.

I hereby accept the Discount Option to subscribe for \_\_\_\_\_ Shares at a price of S\$ \_\_\_\_\_ per Share. I enclose a \*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**").

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 constitutes 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 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.

## THE BLUMONT EMPLOYEE SHARE OPTION SCHEME 2013

### EXERCISE NOTICE (MARKET PRICE OPTION)

Serial No. \_\_\_\_\_

Private and Confidential

To: The Committee  
Blumont Employee Share Option Scheme 2013  
Blumont Group Ltd.  
298 Tiong Bahru Road  
#20-02/03 Central Plaza  
Singapore 168730

Total number of ordinary shares in the capital :  
of the Company (the "**Shares**") offered at  
S\$\_\_\_\_\_ per Share under the  
Blumont Employee Share Option Scheme  
2013 (the "**Blumont ESOS 2013**")  
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 Blumont Group Ltd. (the "**Company**") at the price of S\$\_\_\_\_\_ per Share.
2. I hereby request the Company to allot and issue the number of Shares specified in paragraph 1 above in the name of The Central Depository (Pte) Limited ("**CDP**") to the credit of my securities account with CDP 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 \*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 Blumont ESOS 2013 and the Memorandum and Articles of Association 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 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.

## THE BLUMONT EMPLOYEE SHARE OPTION SCHEME 2013

### EXERCISE NOTICE (DISCOUNT OPTION)

Serial No. \_\_\_\_\_

Private and Confidential

To: The Committee  
Blumont Employee Share Option Scheme 2013  
Blumont Group Ltd.  
298 Tiong Bahru Road  
#20-02/03 Central Plaza  
Singapore 168730

Total number of ordinary shares in the capital :  
of the Company (the "**Shares**") offered at  
S\$\_\_\_\_\_ per Share under the  
Blumont Employee Share Option Scheme  
2013 (the "**Blumont ESOS 2013**")  
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 Blumont Group Ltd. (the "**Company**") at the price of S\$\_\_\_\_\_ per Share.
2. I hereby request the Company to allot and issue the number of Shares specified in paragraph 1 above in the name of The Central Depository (Pte) Limited ("**CDP**") to the credit of my securities account with CDP 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 \*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 Blumont ESOS 2013 and the Memorandum and Articles of Association 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 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.



## PROPOSED RULES OF THE BLUMONT PERFORMANCE SHARE PLAN

### 1. BLUMONT PERFORMANCE SHARE PLAN

The Blumont 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 Blumont Performance Share Plan.

### 2. DEFINITIONS

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

|                        |   |   |
|------------------------|---|---|
| “Act”                  | : | The Companies Act, Chapter 50, as amended or modified from time to time   |
| “Articles”             | : | The Articles of Association of the Company  |
| “Associated Companies” | : | a company in which at least twenty per cent. (20%) but not more than fifty per cent. (50%) of its shares are held by the Company or the Group and in which the Company exercises effective Control                    |
| “Auditors”             | : | The auditors of the Company for the time being  |
| “Award”                | : | A contingent award of Shares granted under the Blumont PSP  |
| “Blumont ESOS 2013”    | : | The Blumont Employee Share Option Scheme 2013, as the same may be modified or amended from time to time   |
| “Blumont PSP”          | : | The Blumont Performance Share Plan, as the same may be modified or amended from time to time  |
| “Board”                | : | The board of Directors of the Company   |
| “CDP”                  | : | The Central Depository (Pte) Limited  |
| “Committee”            | : | The compensation committee, being a committee comprising Directors of the Company as may be duly authorised and appointed by the Board to administer the Blumont PSP, which is overseen by the Remuneration Committee |
| “Company”              | : | Blumont Group Ltd.  |
| “Control”              | : | The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company  |

|                            |   |   |
|----------------------------|---|---|
| “Director”                 | : | A person holding office as a director for the time being of the Company, its Subsidiaries and/or Associated Companies, as the case may be   |
| “Group”                    | : | The Company, its Subsidiaries and Associated Companies, collectively  |
| “Group Employee”           | : | Any confirmed employee of the Company, its Subsidiaries and/or Associated Companies, as the case may be, (including any Group Executive Director) selected by the Committee to participate in the Blumont PSP in accordance with the provisions thereof |
| “Group Executive Director” | : | A director of the Company, its Subsidiaries and/or Associated Companies, as the case may be, who performs an executive function within the Group  |
| “Independent Director”     | : | An independent Director of the Company  |
| “Listing Manual”           | : | The listing manual of the SGX-ST  |
| “Market Day”               | : | A day on which the SGX-ST is open for trading in securities   |
| “New Shares”               | : | The new Shares which may be allotted and issued from time to time pursuant to the vesting of Awards to be granted under the Blumont PSP   |
| “Non-Executive Director”   | : | A Director of the Company, its Subsidiaries and/or Associated Companies, as the case may be, other than Group Executive Directors and including the Independent Directors, who does not perform an executive function within the Group                  |
| “Plan Participant”         | : | A person who is selected by the Committee to participate in the Blumont PSP in accordance with the terms and conditions as set out in the Rules   |
| “Remuneration Committee”   | : | The Remuneration Committee of the Company from time to time   |
| “Rules”                    | : | These rules of the Blumont PSP, as may be modified or amended from time to time and any reference to a particular Rule shall be construed accordingly   |
| “Securities Accounts”      | : | A securities account maintained by a Depositor with CDP but does not include a securities sub-account   |
| “SGX-ST”                   | : | Singapore Exchange Securities Trading Limited   |
| “Shareholders”             | : | The registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the depositors whose securities accounts are credited with the Shares                               |

|                   |   |  |
|-------------------|---|--|
| “Shares”          | : | Ordinary shares in the capital of the Company  |
| “Subsidiary”      | : | A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Act  |
| “treasury shares” | : | Means:– <ul style="list-style-type: none"> <li>(a) a share which was (or is treated as having been) purchased by a company in circumstances which Section 76H of the Act applies; and</li> <li>(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</li> </ul> |
| “%”               | : | Per centum or percentage   |

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.

For purposes of the Blumont PSP, the terms “Associate” and “Controlling Shareholder” shall have the meaning ascribed to it by the Listing Manual or any other publication prescribing rules or regulations for corporations admitted to the Official List of the SGX-ST (as modified, supplemented or amended from time to time).

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 Blumont PSP 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 Blumont PSP 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 Blumont PSP is a reference to Singapore time.

### **3. OBJECTIVES OF THE BLUMONT PSP**

- 3.1 The Blumont PSP is a share incentive scheme under which performance-based or time-based Awards may be granted. Through the Blumont PSP, the Company will be able to recognise and reward past contributions and services and motivate Plan Participants to continue to strive for the Group’s long term growth and prosperity. In addition, the Blumont PSP aims to foster an ownership culture within the Group which aligns the interests of Group Employees, Group Executive Directors and Non-Executive Directors with the interests of Shareholders. The Blumont PSP will increase the Company’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve superior performance.

- 3.2 The Blumont PSP will give Plan Participants an opportunity to have a personal equity interest in the Company and will help to achieve the following main objectives:–
- (a) to serve as an additional method available to the Group for compensating the Plan Participants rather than merely through salaries, Directors' fees, salary increments and cash bonuses and to make remuneration sufficiently competitive to recruit and retain Group Employees and Non-Executive Directors;
  - (b) to enhance the Group's ability to retain and attract highly qualified Plan Participants whose contributions are important to the Group's long-term business plans and objectives;
  - (c) to offer Plan Participants the opportunity to acquire or increase their equity interests in the Company and a chance to share in the profits of the Company by making them Shareholders;
  - (d) to motivate Plan Participants to maximise their performance and efficiency due to the possible financial rewards arising from the Awards granted, and to maintain a high level of contribution to the Group and create value for Shareholders;
  - (e) to promote greater commitment and dedication, instil loyalty and a stronger identification by the Plan Participants with the long-term development and growth of the Group;
  - (f) to align the interests of the Plan Participants with those of the Company's Shareholders; and
  - (g) to give recognition to the contributions made or to be made by the Non-Executive Directors (including the Independent Directors) to the success of the Group.

#### **4. ELIGIBILITY**

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

- (a) confirmed Group Employees (including Group Executive Directors); and
- (b) Non-Executive Directors,

Provided that on the relevant date of the Award, such person:–

- (a) has attained the age of twenty-one (21) years; and
- (b) is not an undischarged bankrupt and must not have entered into a composition with his creditors.

Any Director who is a member of the Committee shall not be involved in the Committee's deliberations and decisions in respect of Awards to be granted to or held by that Director or his Associate.

4.2 For the purposes of determining eligibility to participate in the Blumont PSP, the secondment of a Group Employee to another company within the Group shall not be regarded as a break in his employment or his employment having ceased by reason only of such secondment to be a full-time employee of the Group.

- 4.3 For the avoidance of doubt, persons who are Controlling Shareholders of the Company and/or their Associates who satisfy the requirements of Rule 4.1 above shall also be eligible to participate in the Blumont PSP at the absolute discretion of the Committee and in accordance with the applicable requirements of the Rules, provided that:–
- (a) their participation in the Blumont PSP prior to the first grant of Awards to them is specifically approved by independent Shareholders in a general meeting in separate resolutions for each such Controlling Shareholder or his Associates;
  - (b) the actual number and terms of any Awards to be granted to them have been specifically approved by independent Shareholders in a general meeting in separate resolutions for each such Controlling Shareholder or his Associates; and
  - (c) all conditions for their participation in the Blumont PSP as may be required by the regulations of the SGX-ST from time to time are satisfied. In this regard, pursuant to Rule 845 of the Listing Manual, (1) the aggregate number of Shares available to Controlling Shareholders and their Associates must not exceed 25% of the Shares available under the Blumont PSP; and (2) the number of Shares available to each Controlling Shareholder or his Associate must not exceed 10% of the Shares available under the Blumont PSP.
- 4.4 There shall be no restriction on the eligibility of any Plan Participant to participate in any other share award or share incentive plans implemented or to be implemented by the Company, or any other company within the Group.
- 4.5 Subject to all applicable law and the requirements of the SGX-ST, the terms of eligibility of any Plan Participant in the Blumont PSP may be amended from time to time at the absolute discretion of the Committee, which will be exercised judiciously.

## **5. GRANT OF AWARDS**

- 5.1 The selection of a Plan Participant and the number of Shares which are the subject of each Award to be granted to a Plan Participant shall be determined at the absolute discretion of the Committee, which shall take into account criteria including (but not limited to) the Plan Participant's rank, overall job performance, years of service, potential for future development, contribution to the success of the Group, the performance targets or conditions and/or performance periods to be set, the extent of effort and resourcefulness required to achieve the performance targets or conditions and/or service conditions within the performance periods and/or service periods, capability, scope of responsibility, skill and vulnerability to leaving the employment of the Group.
- 5.2 In the case of a performance-related Award, the performance targets or conditions to be set are intended to be broad-based and shall take into account both the medium-term corporate objectives of the Group and the individual performance of the Plan Participant. The corporate objectives shall cover market competitiveness, quality of returns, business growth and productivity growth. The performance targets could be based on criteria such as sales growth, growth in earnings and return on investment.
- 5.3 The Committee may determine the number of Shares to be granted to a Plan Participant under an Award according to a pre-determined dollar amount which the Committee decides that a Plan Participant deserves for meeting his performance targets such that the quantum of Shares comprised in the Award is dependent on the closing price of Shares transacted on the Market Day the Award is vested. Alternatively, the Committee may decide on absolute number of Shares to be awarded to Plan Participants irrespective of the price of the Shares.

- 5.4 The Company will make an immediate announcement upon any grant of Awards and including therein such information as required under Rule 704(29) of the Listing Manual provided that if any of the information so required is not applicable, an appropriate negative statement shall be included instead.

## **6. DATE OF GRANT**

Awards may be granted at any time in the course of a financial year, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Awards may only be vested and hence any Shares comprised in such Awards may only be delivered on or after the second Market Day from the date on which the aforesaid announcement is made.

## **7. AWARDS**

- 7.1 An Award letter confirming the Award will be sent to each Plan Participant as soon as reasonably practicable after the Award is finalised, specifying, *inter alia*, in relation to the Award:–

(a) in relation to a performance-related Award:–

(i) the performance target(s);

(ii) the performance period during which the prescribed performance target(s) are to be satisfied;

(b) the number of Shares under the Award granted to the Plan Participant;

(c) the date(s) by which Shares under the Award granted to the Plan Participant shall be vested or released; and

(d) any other applicable conditions or restrictions including, if applicable, any moratorium period to be observed in relation to any Shares under the Award granted to the Plan Participant.

- 7.2 Awards are personal to the Plan Participant to whom it is given and shall not be transferred (other than to a Plan Participant's personal representative on the death of that Plan Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of the Committee.

- 7.3 Every Award shall be subject to the condition that no cash shall be paid nor Shares issued or transferred pursuant to the release of any Award if such payment, issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the payment of cash or issue or transfer of Shares thereto.

## **8. VESTING OF AWARDS**

- 8.1 Awards may only be vested or released and consequently any Shares comprised in such Awards shall only be delivered upon the Committee being satisfied that the Plan Participant has achieved or fulfilled the relevant performance target(s), performance conditions, service conditions and/or such other conditions such as vesting period(s) applicable for the release of the Award and/or all or any of the Shares to which that Award relates, and/or upon the Committee being satisfied that due recognition should be given for good work performance and/or significant contribution to the Company.

8.2 In the event of:–

- (a) any breach of employment terms or misconduct on the part of a Plan Participant as determined by the Committee in its discretion;
- (b) the Plan Participant ceasing to be in the employment of the Group or a Non-Executive Director whether on his own accord, or by such company, for any reason whatsoever; or
- (c) the bankruptcy of a Plan Participant, his entering into any composition with his creditors or the occurrence of any other event which results in him being deprived of the legal or beneficial ownership of the Award;

notwithstanding that the Plan Participant may have fulfilled or met his performance target(s) (if applicable), no Awards shall be vested, and all Awards then held by a Plan Participant shall immediately lapse without any claim whatsoever against the Company.

8.3 In the event of:–

- (a) the Plan Participant ceasing to be in the employment of the Group or a Non-Executive Director by reason of:–
  - (i) ill health, injury, accident or disability (in each case, evidenced to the satisfaction of the Committee);
  - (ii) redundancy;
  - (iii) retirement at or after the legal retirement age;
  - (iv) retirement before the legal retirement age with the consent of the Committee;
  - (v) any other event approved by the Committee; or
- (b) the death of the Plan Participant;

the Committee may consider, subject to any legal or regulatory requirements, at its absolute discretion and on such terms and conditions as it deems fit, whether or not to preserve all or any part of any Award and decide as soon as reasonably practicable following such event to release any Award and vest some or all of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of the relevant prescribed vesting period, if any, or declare that an Award has lapsed without any claim whatsoever against the Company (notwithstanding that the Plan Participant may have fulfilled or met his performance target(s) (if applicable)).

In exercising its discretion, the Committee will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Plan Participant and the extent to which the applicable performance target(s), performance conditions and/or service conditions, if any, have been satisfied. Provided that any Awards not released or vested (as the case may be) prior to the commencement of the voluntary winding up of the Company shall, upon commencement of such winding up, be null and void.

## **9. TAKE-OVER AND WINDING UP OF THE COMPANY**

- 9.1 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, subject to any legal or regulatory requirements, each Plan Participant who has fulfilled his performance target shall be entitled, notwithstanding the provisions herein and the fact that the vesting period for such Award has not expired but subject to Rule 9.4, to any Shares under the Awards so determined by the Committee to be released to him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 (sixty) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later.
- 9.2 If an order or an effective resolution is made for the winding-up of the Company on the basis of its insolvency, all Awards, notwithstanding that they may have been so vested shall be deemed or become null and void.
- 9.3 In the event of a members' voluntary winding-up (other than for amalgamation or reconstruction), the Awards shall so vest in the Plan Participant for so long as, in the absolute determination by the Committee, the Plan Participant has met the performance targets prior to the date that the members' voluntary winding-up shall be deemed to have been commenced or effective in law. Provided that any Awards not released or vested (as the case may be) prior to the commencement of the voluntary winding up of the Company shall, upon commencement of such winding up be null and void.
- 9.4 If in connection with the making of a take-over offer or the scheme referred to in Rule 9.1 or the winding-up referred to in Rule 9.3, 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 Plan Participants, whether by the payment of cash or by any other form of benefit, no release of Shares under the Award shall be made in such circumstances.

## **10. SIZE AND DURATION OF THE BLUMONT PSP**

- 10.1 The total number of Shares available for issue under (i) the Blumont PSP, (ii) the Blumont ESOS and (iii) any other share-based incentive schemes of the Company shall not exceed fifteen per cent. (15%) of the total number of issued Shares excluding treasury shares on the day preceding the relevant date of grant of the Awards.
- 10.2 The aggregate number of Shares for which Awards may be granted under the Blumont PSP to Controlling Shareholders and their Associates shall not exceed 25% of the Shares available under the Blumont PSP, and the number of Shares over which an Award may be granted under the Blumont PSP to each Controlling Shareholder or his Associate shall not exceed 10% of the Shares available under the Blumont PSP.
- 10.3 The amount of cash which may be paid upon the release of Awards in lieu of Shares will not be subject to any limit.
- 10.4 The Blumont PSP shall continue in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date on which the Blumont PSP is adopted by the Company in general meeting, provided always that the Blumont PSP may continue beyond the above stipulated period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required.



10.5 The Blumont PSP may be terminated at any time at the discretion of the Committee or by resolution of the Shareholders at general meeting subject to all other relevant approvals which may be required and if the Blumont PSP is so terminated, no additional Awards will be granted by the Company thereunder.

10.6 Termination or expiry of the Blumont PSP shall not affect Awards which have been granted prior to such termination or expiry which will continue to remain valid.

## **11. OPERATION OF THE BLUMONT PSP**

11.1 As soon as reasonably practicable after the end of each performance period and/or service period, the Committee shall review the performance target(s), performance conditions and/or service conditions specified in respect of that Award and determine whether they have been satisfied and, if so, the extent to which they have satisfied (whether fully or partially) and subject to Rule 8, shall release to that Plan Participant the Shares to which that Award relates.

11.2 The Committee has the sole discretion to determine whether performance target(s), performance conditions and/or service conditions have been satisfied (whether fully or partially) or exceeded and/or whether the Plan Participant's performance and/or contribution to the Company or the Group justifies the vesting of an Award. In making any such determination, the Committee shall have the right to take into account such factors as the Committee may in its sole discretion determine to be relevant, and further, the right to amend the service conditions and/or performance target(s), if any, if the Committee decides it would be a fairer measure of the performance of the Plan Participant or for the Blumont PSP as a whole or it would otherwise be just and equitable to do so. The Committee shall also have the right to make computational adjustments to the audited results of the Company and the Group, as the case may be, taking into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events.

11.3 Subject to the prevailing legislation, and the Listing Manual, the Company will determine the mode of settlement of the Awards by way of an issue of New Shares or payment of the equivalent cash value of such New Shares computed in accordance with paragraph 11.5 below.

11.4 In determining whether to issue New Shares or to pay the equivalent cash value to Plan Participants upon vesting of their Awards, the Company will take into account factors such as (but not limited to) the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost and financial effects to the Company of the various modes of settlement.

11.5 The Company shall have the flexibility, and if circumstances require, to approve the release of an Award, wholly or partly, in the form of cash rather than Shares, in which event the Plan Participant shall receive the aggregate value of the relevant number of Shares in cash, with the value of each Share being for this purpose the average of the last dealt price for a Share for the three (3) consecutive Market Days immediately preceding the release date or if the Committee is of the opinion that such amount as computed is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

11.6 New Shares to be issued under the Blumont PSP will be issued in compliance with all applicable laws and regulations. Where New Shares are allotted upon the vesting of an Award, 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 such permission has not been obtained prior to the allotment. For any allotment of New Shares pursuant to an Award, the Committee may take into account the rounding of odd lots.

- 11.7 Subject to such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to compliance with the terms of the Blumont PSP and the Articles, the Company shall within ten (10) Market Days after the vesting of an Award, allot the relevant Shares and despatch to CDP the relevant share certificates, where applicable. Shares which are the subject of an Award shall be issued in the name of CDP to the credit of the securities account of the Plan Participant maintained with CDP or his securities sub-account maintained with a Depository Agent and as notified by the Plan Participant to the Committee.
- 11.8 New Shares allotted and issued, and existing Shares procured by the Company for transfer, upon the vesting of an Award shall:–
- (a) be subject to all the provisions of the memorandum of association of the Company and Articles; and
  - (b) 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 issue or transfer date, and shall in all other respects rank *pari passu* with other existing Shares then in issue. For the purposes of this Rule, “record date” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of Shareholders.
- 11.9 Shares which are allotted or transferred pursuant to the release of an Award will not (save as otherwise provided in the terms of the Award, by the provisions of the Listing Manual or applicable laws) be subject to any restriction against disposal, or sale or otherwise by the Plan Participant.

## 12. ADJUSTMENTS

- 12.1 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, issue of shares for nil consideration, reduction, sub-division, consolidation, distribution, or otherwise) shall take place, then:–
- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet vested or released (as the case may be);
  - (b) the class and/or number of Shares over which future Awards may be granted under the Blumont PSP; and/or
  - (c) the maximum number of New Shares which may be issued pursuant to Awards under the Blumont PSP,

shall be adjusted in such manner as the Committee may determine to be appropriate, which will not result in a Plan Participant receiving a benefit that a Shareholder does not receive, except in relation to a capitalisation issue, upon the Auditors (acting as experts and not as arbitrators) having confirmed in writing that, in their opinion, such adjustment is fair and reasonable.

- 12.2 Any adjustments to be made shall be subject to the proviso that such adjustments shall not be made in the following circumstances if as a result, the Plan Participant receives a benefit that a Shareholder does not receive.

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

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;
- (c) 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 purchases approved by Shareholders in general meeting, including the Blumont PSP and the Blumont ESOS 2013;
- (d) 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;
- (e) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company; or
- (f) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not arbitrators) to be in their opinion, fair and reasonable. No adjustment shall be made if the result of the adjustment would be that a Plan Participant would receive a benefit that a Shareholder does not receive.

12.4 Upon any adjustment required to be made pursuant to this Rule 12, the Company shall notify the Plan Participant in writing and deliver to him a statement setting forth the value, class and/or number of Shares which are the subject of an Award to the extent not vested, provided that any omission to give notice to any Plan Participants shall not invalidate any such adjustment.

### **13. MODIFICATIONS OR ALTERATIONS TO THE BLUMONT PSP**

13.1 The Blumont PSP may be modified and/or altered from time to time by a resolution of the Committee, provided:–

- (a) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary as well as compliance with all applicable laws, regulations, the Listing Manual; and
- (b) no alteration shall be made to the advantage of the Plan Participants, except with the prior approval of the Shareholders in general meeting.

13.2 Written notice of any modification or alteration made shall be given to all Plan Participants provided that any omission to give notice to any Plan Participant shall not invalidate any such amendment.

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

#### **14. ADMINISTRATION OF THE BLUMONT PSP**

14.1 The Blumont PSP shall be administered by the Committee in its absolute discretion with such powers and duties as conferred on it by the Board. A Director in the Committee shall not be involved in its deliberations in respect of an Award to be granted to that Director or his Associate. Further, where Awards are proposed to be granted to or held by Controlling Shareholders or their Associates, all members of the Board (and not just members of the Committee) who are not Controlling Shareholders or Associates of Controlling Shareholders, will be involved in the deliberation on the same.

14.2 The Committee shall have the power from time to time to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Blumont PSP) for the implementation and administration of the Blumont PSP as it deems fit.

14.3 Any decision of the Committee (including any decision pertaining to disputes as to interpretation of the Blumont PSP) made pursuant to any provision of the Blumont PSP, or any rule, regulation, procedure thereunder or as to any rights under the Blumont PSP (other than a matter to be certified by the Auditors), shall be final, binding and conclusive.

#### **15. TERMS OF APPOINTMENT OR EMPLOYMENT UNAFFECTED**

15.1 The Blumont PSP or any Award shall not form part of any contract of employment between the Company or any Subsidiary, 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 Blumont PSP or any right which he may have to participate in it or any Award which he may hold and the Blumont PSP or any Award shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

15.2 The Blumont PSP shall not confer on any person any legal or equitable rights (other than those constituting the Award themselves) against the Group or give rise to any cause of action at law or in equity against the Group.

#### **16. NOTIFICATIONS**

16.1 Any notice required to be given by a Plan Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.

16.2 Any notices or documents required to be given to a Plan Participant or any correspondence to be made between the Company and a Plan Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the address and place of business at which he performs the whole or substantially the whole of the duties of his office or employment. Any notice or other communication from a Plan Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Plan Participant shall be deemed to be received by that Plan Participant, when left at the address as aforesaid or, if sent by prepaid post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the date of despatch.

## **17. TAXES, COSTS AND EXPENSES OF THE BLUMONT PSP**

- 17.1 All taxes (including income tax and central provident fund and/or other statutory contributions, if any) arising from the grant and/or payment of cash and/or issue and allotment of Shares pursuant to the Awards granted to any Plan Participant under the Blumont PSP shall be borne by that Plan Participant. The Company shall be responsible for all CDP fees relating to the issue and allotment of any Shares pursuant to the release of Awards in CDP's name, the deposit of share certificates with CDP, the crediting of Shares under the Awards to the Plan Participant's Securities Account or the Plan Participant's securities sub-account.
- 17.2 The Plan Participants shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or vesting of Shares comprised in the relevant Award and the payment of cash or the issue and allotment or delivery of Shares to the Plan Participant pursuant thereto. All taxes (including income tax, if applicable) arising from the grant or vesting of Shares comprised in any Award and the payment of cash or the issue and allotment or delivery of Shares to the Plan Participant under the Blumont PSP shall be borne by the Plan Participant. The Company shall not be responsible for any failure by the Plan Participant to obtain any such consent or for any tax or other liability to which the Plan Participant may become subject as a result of his participation in the Blumont PSP.
- 17.3 Save for the above, all other fees, costs and expenses incurred by the Company in relation to the Blumont PSP shall, to the extent permitted by law, be borne by the Company.

## **18. DISCLAIMER OF LIABILITY**

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

## **19. DISPUTES**

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

## **20. DISCLOSURES IN ANNUAL REPORT**

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Blumont PSP continues in operation:—

- (a) the names of the members of the Committee administering the Blumont PSP;
- (b) in respect of the following Plan Participants of the Blumont PSP:
  - (i) Directors of the Company;
  - (ii) Controlling Shareholders and their Associates; and

- (iii) Plan Participants (other than those referred to in paragraphs (b)(i) and (b)(ii) above) who have received Shares pursuant to the release of Awards granted under the Blumont PSP which, in aggregate, represent five per cent. (5%) or more of the total number of Shares available under the Blumont PSP, the following information:–

| Name of Plan Participant | Aggregate number of Shares comprised in Awards granted during financial year under review (including terms) | Aggregate number of Shares comprised in Awards which have been granted since commencement of the Blumont PSP to the end of financial year under review | Aggregate number of Shares issued or transferred pursuant to the vesting of Awards under the Blumont PSP since commencement of the Blumont PSP to the end of financial year under review | Aggregate number of Shares comprised in Awards which have not been vested as at the end of financial year under review |
|--------------------------|---|--|--|--|
|--------------------------|---|--|--|--|

- (c) that Plan Participants were not required to pay for the grant of any Awards to them; and
- (d) such other information as may be required by the Listing Manual or the Act.

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

## 21. GOVERNING LAW

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

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## **BLUMONT GROUP LTD.**

(Company Registration Number 199302554G)  
(Incorporated in the Republic of Singapore)

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of BLUMONT GROUP LTD. (the "**Company**") will be held at Grand Copthorne Waterfront Hotel, 392 Havelock Road, Veranda 3, Level 2, Singapore 169663 on 22 April 2013 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the twentieth annual general meeting of the Company scheduled to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:–

*All capitalised terms in this Notice which are not defined herein shall have the same meanings ascribed to them in the Circular to Shareholders of the Company dated 30 March 2013 (the "**Circular**").*

#### **ORDINARY RESOLUTIONS 1 AND 2**

##### **Resolution 1 : The proposed Adoption of the Blumont Employee Share Option Scheme 2013**

THAT the employee share option scheme to be known as the Blumont Employee Share Option Scheme 2013 (the "**Blumont ESOS 2013**"), the rules of which have been set out in the Circular, be and is hereby approved and adopted substantially in the form set out in the rules of the Blumont ESOS 2013, and the Directors of the Company be and are hereby authorised:–

- (a) to establish and administer the Blumont ESOS 2013;
- (b) to modify and/or amend the Blumont ESOS 2013 from time to time provided that such modifications and/or amendments are effected in accordance with the provisions of the Blumont ESOS 2013 and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Blumont ESOS 2013; and
- (c) to offer and grant Option(s) in accordance with the rules of the Blumont ESOS 2013 and to allot and issue from time to time such number of New Shares as may be required to be issued pursuant to the exercise of the Option(s) under the Blumont ESOS 2013.

##### **Resolution 2 : The proposed Grant of Authority to Offer and Grant Options at a Discount under the Blumont Employee Share Option Scheme 2013**

THAT subject to and contingent upon the passing of Ordinary Resolution 1, the Directors of the Company be and are hereby authorised to offer and grant Option(s) in accordance with the rules of the Blumont ESOS 2013 with exercise prices set at a discount to the Market Price, provided that such discount does not exceed the relevant limits set by SGX-ST.

### **ORDINARY RESOLUTION 3**

#### **Resolution 3 : The proposed Adoption of the Blumont Performance Share Plan**

That contingent upon passing of Special Resolution 1 as stated below, the performance share plan to be known as the Blumont Performance Share Plan (the “**Blumont PSP**”), the rules of which have been set out in the Circular, be and is hereby approved and adopted substantially in the form set out in the rules of the Blumont PSP, and the Directors of the Company be and are hereby authorised:–

- (a) to establish and administer the Blumont PSP;
- (b) to modify and/or amend the Blumont PSP from time to time provided that such modifications and/or amendments are effected in accordance with the provisions of the Blumont PSP and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Blumont PSP; and
- (c) to grant Award(s) in accordance with the rules of the Blumont PSP and to allot and issue from time to time such number of New Shares as may be required to be issued pursuant to the vesting of the Award(s) under the Blumont PSP.

### **SPECIAL RESOLUTION 1**

#### **Resolution 1 : The proposed Alteration to Article 152 of the Articles of Association of the Company**

That Article 152 of the Articles of Association of the Company be altered in the manner and to the extent as set out in the Circular.

By order of the Board

Sin Chee Mei  
Toon Choi Fan  
Company Secretaries

Singapore, 30 March 2013

#### **Notes:–**

1. A member of the Company entitled to attend and vote at the above Meeting is entitled to appoint a proxy (or in the case of a corporation, appoint its authorised representative or proxy) to attend and vote in his stead.
2. A proxy need not be a member of the Company.
3. The Proxy Form must be lodged at the Company’s registered office at 298 Tiong Bahru Road #20-02/03 Central Plaza Singapore 168730 not less than 48 hours before the time fixed for holding the Meeting.



# BLUMONT GROUP LTD.

(Company Registration Number 199302554G)  
(Incorporated in the Republic of Singapore)

## PROXY FORM FOR EXTRAORDINARY GENERAL MEETING

### IMPORTANT

1. For investors who have used their CPF monies to buy shares in the capital of Blumont Group Ltd., this circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. 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.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

I/We, \_\_\_\_\_ (Name)  
of \_\_\_\_\_ (Address)  
being a member/members of BLUMONT GROUP LTD. (the "Company") hereby appoint:-

| Name | Address | NRIC/<br>Passport<br>Number | Proportion of<br>Shareholdings<br>(%) |
|------|---------|-----------------------------|---------------------------------------|
|      |         |                             |                                       |

and/or (delete as appropriate)

| Name | Address | NRIC/<br>Passport<br>Number | Proportion of<br>Shareholdings<br>(%) |
|------|---------|-----------------------------|---------------------------------------|
|      |         |                             |                                       |

or failing him/her, the Chairman of the Extraordinary General Meeting of the Company ("EGM") as my/our proxy/proxies, to attend and vote for me/us on my/our behalf at the EGM to be held at Grand Copthorne Waterfront Hotel, 392 Havelock Road, Veranda 3, Level 2, Singapore 169663 on 22 April 2013 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the twentieth annual general meeting of the Company scheduled to be held at 10.00 a.m. on the same day and at the same place) and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the EGM.

|  | To be used on<br>a show of hands |          | To be used in the<br>event of a poll |           |
|--|----------------------------------|----------|--------------------------------------|-----------|
|  | For*                             | Against* | For**                                | Against** |
| <b>ORDINARY RESOLUTIONS</b>  |                                  |          |                                      |           |
| Resolution 1:<br>To approve the proposed Adoption of the Blumont Employee Share Option Scheme 2013   |                                  |          |                                      |           |
| Resolution 2:<br>To approve the proposed Grant of Authority to Offer and Grant Options at a Discount under the Blumont Employee Share Option Scheme 2013 |                                  |          |                                      |           |
| Resolution 3:<br>To approve the proposed Adoption of the Blumont Performance Share Plan  |                                  |          |                                      |           |
| <b>SPECIAL RESOLUTION</b>  |                                  |          |                                      |           |
| Resolution 1:<br>To approve the proposed Alteration to Article 152 of the Articles of Association of the Company   |                                  |          |                                      |           |

\* Please indicate your vote "For" or "Against"

\*\* If you wish to use all your votes "For" or "Against", please indicate with an "X" within the box provided. Otherwise, please indicate number of votes.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

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

\_\_\_\_\_  
Signature of Shareholder(s)/Common Seal of Corporate Shareholder

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

**NOTES:-**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and also registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 298 Tiong Bahru Road #20-02/03 Central Plaza Singapore 168730 not less than 48 hours before the time set for the EGM.
4. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy and if no proportion is specified, the first-named proxy shall be deemed to represent all of the shareholding and the second-named proxy shall be deemed to be an alternate to the first-named.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
8. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Ltd to the Company.

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