

CIRCULAR DATED 6 OCTOBER 2020

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 ordinary shares in the capital of the Company (the “**Shares**”) held through The Central Depository (Pte) Limited (the “**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The legal advisers appointed by the Company for the purpose of the corporate action set out in this Circular is TSMP Law Corporation.

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



CHUAN HUP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No. 197000572R)

CIRCULAR TO SHAREHOLDERS IN RELATION TO

- (1) THE PROPOSED ADOPTION OF THE CHUAN HUP HOLDINGS SHARE OPTION SCHEME; AND**
- (2) THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE CHUAN HUP HOLDINGS SHARE OPTION SCHEME**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form : **26 October 2020 at 11.00 a.m.**

Date and time of Extraordinary General Meeting : **29 October 2020 at 11.00 a.m.**
(or as soon as practicable following the conclusion or adjournment of the annual general meeting of the Company convened on the same day)

Place of Extraordinary General Meeting : By Electronic Means

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DEFINITIONS

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

- “Associate” or “Associates”** : (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 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;
- (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 Company”** : A company in which at least twenty per cent. (20%) but no more than fifty per cent. (50%) of its shares are held by the Company
- “CHH ESOS”** : The Proposed Chuan Hup Holdings Employee Share Option Scheme
- “Board” or “Board of Directors”** : The board of directors of the Company for the time being
- “CDP” or “Depository”** : The Central Depository (Pte) Limited
- “Circular”** : This circular dated 6 October 2020 issued by the Company
- “Company”** : Chuan Hup Holdings Limited
- “Constitution”** : The constitution of the Company, as amended or modified from time to time
- “Controlling Shareholder”** : A person who:-
- (a) holds directly or indirectly fifteen per cent. (15%) or more of all voting shares (excluding Treasury Shares and subsidiary holdings) in the Company, unless determined by SGX-ST that such person is not a controlling shareholder; or
 - (b) in fact exercises control over the Company
- “CPF”** : The Central Provident Fund
- “CPF Approved Nominees”** : Agent banks included under the CPFIS
- “CPFIS”** : Central Provident Fund Investment Scheme

“Directors”	: The directors of the Company for the time being
“EGM”	: The extraordinary general meeting to be convened and held by electronic means on 29 October 2020 at 11.00 a.m. (or as soon as practicable following the conclusion or adjournment of the annual general meeting of the Company convened on the same day), notice of which is set out on page N-1 of this Circular
“EPS”	: Earnings per Share
“Exercise Price”	: The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 8, or such adjusted price as may be applicable pursuant to Rule 12
“Executive Director”	: A director of the Company who performs an executive function
“Financial Year”	: Each period of 12 months or more or less than 12 months, at the end of which the balance of accounts of the Company are prepared and audited, for the purpose of laying the same before an annual general meeting of the Company
“general meeting”	: A general meeting of the Company
“Group”	: The Company and its subsidiaries
“Group Employee”	: Any confirmed employee of the Group (including any Director) selected by the Option Committee to participate in the CHH ESOS in accordance with the rules herein.
“Latest Practicable Date”	: 29 September 2020, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	: The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time
“Market Price”	: The average of the last dealt price for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Offering Date provided always that in the case of a Market Day on which the Shares are 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, rounded up to the nearest whole cent in the event of fractional prices
“Member” or “Shareholder”	: The registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” or “Members” shall, in the relation to such Shares, mean the Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with those Shares
“New Shares”	: The new shares which may be allotted and issued from time to time pursuant to the exercise of an Option under the CHH ESOS
“Non-Executive Director”	: A director of the Company other than one who performs an executive function (including an Independent Director)

“Notice of EGM”	:	The notice of the EGM set out on page N-1 of this Circular
“NTA”	:	Net tangible assets
“Offering Date”	:	The date on which an Option is granted pursuant to a Letter of Offer
“Option”	:	The right to acquire Shares granted or to be granted to a Group Employee pursuant to the CHH ESOS and for the time being subsisting
“Option Committee”	:	The committee comprising all the members of the Remuneration Committee of the Company from time to time, as may be duly authorised and appointed by the Board to administer the CHH ESOS
“Option Rules”	:	The rules of the CHH ESOS
“Proposed Adoption of the CHH ESOS”	:	The proposed CHH ESOS, the terms of which are set out in the Appendix to this Circular
“Participant”	:	An eligible person selected by the Option Committee to participate in the Option Scheme in accordance with the rules thereof
“Share(s)”	:	Ordinary share(s) in the issued and paid-up capital of the Company
“Substantial Shareholders”	:	A person who has an interest in the voting Shares (excluding Treasury Shares) in the Company, and the total votes attached to that Share, or those Shares, represent not less than five per cent. (5%) of all the voting Shares
“Proxy Form”	:	The proxy form in respect of the EGM as set out in this Circular
“relevant intermediary”	:	Means:- <ul style="list-style-type: none"> (a) a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; (b) a person holding a capital markets licence to provide custodial services for securities under the SFA and who holds shares in that capacity; or (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the Central Provident Fund Board holds those shares in the capacity of an intermediary
“SFA”	:	The Securities and Futures Act (Cap. 289) of Singapore, or any statutory modification or re-enactment thereof for the time being in force
“Securities Account”	:	Securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent

- “SGX-ST”** : The Singapore Exchange Securities Trading Limited
- “Shares”** : Ordinary shares in the issued share capital of the Company
- “Treasury Shares”** : shall have the meaning ascribed to it in Section 4 of the Companies Act

The terms **“Depositor”**, **“Depository Register”** and **“Depository Agent”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Except where specifically defined, the terms **“we”**, **“us”** and **“our”** in this Circular refer to Chuan Hup Holdings Limited and our Subsidiaries.

The term **“subsidiary holdings”** shall have the meaning ascribed to it in the Companies Act.

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

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

Any reference in this Circular 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 not otherwise defined in this Circular shall, where applicable, have the same meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

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

CHUAN HUP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Co. Reg. No. 197000572R)

Directors:

Mr Lo Pang Foo Steven
(*Non-Executive, Independent Director and Chairman*)

Mr Peh Siong Woon Terence
(*Chief Executive Officer and Executive Director*)

Mr Peh Kwee Chim
(*Executive Director*)

Ms Heng Su-Ling Mae
(*Non-Executive, Independent Director*)

Mr Lim Kwee Siah
(*Non-Executive Director*)

Registered Office:

8 Eu Tong Sen Street
#24-90 The Central
Singapore 059818

6 October 2020

To : The Shareholders of Chuan Hup Holdings Limited

Dear Sir/Madam

THE PROPOSED ADOPTION OF THE CHUAN HUP HOLDINGS SHARE OPTION SCHEME AND THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE CHUAN HUP HOLDINGS SHARE OPTION SCHEME

1. INTRODUCTION

1.1 The Directors are convening the EGM to be held by electronic means on 29 October 2020 at 11.00 a.m. (or as soon as practicable following the conclusion or adjournment of the annual general meeting of the Company), to seek the approval of Shareholders in relation to the following matters:-

- (a) proposed adoption of the Chuan Hup Holdings Employee Share Option Scheme; and
- (b) proposed grant of authority to offer and grant Options at a discount under the Chuan Hup Holdings Employee Share Option Scheme,

(together, the "**Proposals**").

1.2 The proposed adoption of the Chuan Hup Holdings Employee Share Option Scheme and the proposed grant of authority to offer and grant Options at a discount under the Chuan Hup Holdings Employee Share Option Scheme are set out as ordinary resolutions in the Notice of EGM accompanying this Circular.

- 1.3 The purpose of this Circular is to provide Shareholders with information relating to the Proposals, which will be tabled at the EGM for Shareholders' approval. This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched to by the Company) or for any other purpose.
- 1.4 The SGX-ST assumes no responsibility for the accuracy or correctness of any statements made or opinions expressed, or reports contained in this Circular.
- 1.5 The SGX-ST has on 24 September 2020 granted in-principle approval for the listing and quotation for the new Shares to be allotted and issued pursuant to the exercise of the Options under the proposed CHH ESOS, subject to independent Shareholders' approval being obtained for the proposed CHH ESOS, and the Company's compliance with SGX-ST's listing requirements and guidelines. Such in-principle approval by the SGX-ST, and the admission to, and quotation of the New Shares on the Official List of SGX-ST is not to be taken as an indication of the merits of the proposed CHH ESOS, the New Shares, the Company and/or its Subsidiaries.

2. THE PROPOSED CHUAN HUP HOLDINGS EMPLOYEE SHARE OPTION SCHEME

The Directors are proposing to implement a new employee share option scheme to be named the "Chuan Hup Holdings Employee Share Option Scheme".

Previously, the Company had an employee share option scheme known as the "Chuan Hup Employees' Share Option Scheme 1997" (hereinafter referred to as the "1997 ESOS"). The 1997 ESOS was adopted on 15 August 1997 and had expired on 9 November 2010. Since the expiry of the 1997 ESOS on 9 November 2010, no options to take up unissued Shares of the Company have been granted, and there have also been no unissued Shares of the Company under option.

2.1 RATIONALE FOR THE EMPLOYEE SHARE OPTION SCHEME

The Directors believe that the CHH ESOS will serve as a powerful incentive in retaining and motivating qualified key employees to optimise their performance standards and increase their efficiency. In addition, the CHH ESOS will provide the Company with the necessary flexibility and effectiveness to reward, retain and motivate employees to achieve superior performance. The CHH ESOS will also strengthen the Company's competitiveness in attracting and retaining talented employees.

The CHH ESOS will provide incentives to high performing employees to excel in their performance and encourage greater dedication and loyalty to the Company. Through the CHH ESOS, the Company will be able to continue motivating its employees to strive for the Group's long-term shareholder value. In addition, the CHH ESOS aims to continue to foster a greater ownership culture within the Group which more directly aligns the interest of employees with that of the Shareholders, and to improve performance and achieve sustainable growth for the Company in the changing business environment.

The CHH ESOS is extended to the Non-Executive Directors of the Group. Although the Non-Executive Directors are not involved in the day-to-day running of the Group, they play an invaluable role in the success by applying their experience, drawing on their knowledge and utilising their expertise for the benefit of the Group. It is therefore desirable that the Non-Executive Directors be allowed to participate in the CHH ESOS to give recognition to their services and contributions and to further align their interests with that of the Group.

2.2 SUMMARY OF RULES

The following are summaries of the principal rules of the CHH ESOS. The detailed rules of the CHH ESOS are set out in the **Appendix** to this Circular.

2.2.1 Eligibility

Group employees (including the Executive Directors and Non-Executive Directors) who have attained the legal age of 21 years on or before the Offering Date and are not undischarged bankrupts may be eligible to participate in the CHH ESOS, at the absolute discretion of the Option Committee.

For the avoidance of doubt, Controlling Shareholders and their Associates are not eligible to participate in the CHH ESOS.

2.2.2 Options

Options represent the right of a Participant to subscribe for Shares in consideration for the Exercise Price upon the exercise of the Option.

An Option offered to a Participant pursuant to Rule 6 of the Option Rules may only be accepted by the Participant within 30 days after the relevant Offering Date and not later than 5.00 p.m. on the 30th day from such Offering Date. The grant of an Option must be accepted by completing, signing and returning of the acceptance form accompanied by payment of S\$1.00 as consideration or such other amount and such other documentation as the Option Committee may require. The Option is deemed not accepted until the Company is in actual receipt of the acceptance form.

2.2.3 Participants

The selection of a Participant and the number of Shares which are the subject of each Option to be granted to a Participant in accordance with the CHH ESOS shall be determined at the absolute discretion of the Option Committee, which shall take into account, *inter alia*, the seniority of his position, performance, length of service and potential for future development of the employee.

2.2.4 Exercise Price

Subject to any adjustment pursuant to Rule 12 of the Option Rules, the Exercise Price of Options granted will be determined by the Option Committee, in its absolute discretion, on the Offering Date 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 Shareholders of the Company in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the CHH ESOS at a discount not exceeding the maximum discount as aforesaid.

In determining whether to give a discount and the quantum of such discount in respect of the Exercise Price, the Option Committee may take into account factors such as the performance of the Group, the individual performance of the participant, his contribution to the success and development of the Group, and the prevailing market and economic conditions.

2.2.5 Grant of Options at a Discounted Price

Under the CHH ESOS, the Exercise Price of the Options granted will be determined by the Option Committee. The Option Committee has the discretion to grant Options at a discounted Exercise Price. In the event that the Options are granted at a discount, the discount shall not exceed twenty per cent. (20%) of the Market Price provided that the prior approval of the Shareholders of the Company in general meeting shall have approved the discount for the duration of the CHH ESOS. For the avoidance of doubt, the prior approval shall be required to be obtained only once and, shall unless revoked, authorise the making of offers and grants of Options under the CHH ESOS at such discount for the duration of the CHH ESOS.

The ability to offer Options at a discount to the Market Price of the Shares will give the Company flexibility in structuring the Options granted, and ensures that the Company maintains the competitiveness of its compensation strategy. Being able to grant Options at a discount allows the Company to acknowledge a Participant's contributions where such means is more meaningful than paying 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. Further, because Options granted with a discount under the CHH ESOS are subject to a longer vesting period of two years compared to one year for the Options granted at the Market Price, holders of such Options will be encouraged to have a long-term view of the Company, thereby promoting staff and employee retention and reinforcing their commitment to the Company.

The Company believes that the maximum twenty per cent. (20%) discount to the Market Price of the Shares is sufficient to allow for flexibility in the CHH ESOS while minimising the potential dilutive effect to the Shareholders arising from the CHH ESOS.

2.2.6 Exercise Period

- (a) Options granted to a Participant (including Executive Directors but excluding Non-Executive Directors)

An Option granted with the Exercise Price set at the Market Price shall be exercisable at any time by the Participant after the first anniversary of the Offering Date, provided that the Option shall be exercised before the tenth anniversary of the relevant Offering Date or such earlier date as may be determined by the Option Committee, failing which the unexercised Option shall immediately lapse and become null and void.

An Option granted with the Exercise Price set at a discount to the Market Price shall be exercisable at any time by the Participant after the second anniversary of the Offering Date, provided that the Option shall be exercised before the tenth anniversary of the relevant Offering Date or such earlier date as may be determined by the Option Committee, failing which the unexercised Option shall immediately lapse and become null and void.

- (b) Options granted to Non-Executive Directors

An Option granted with the Exercise Price set at the Market Price shall be exercisable at any time by the Non-Executive Director after the first anniversary of the Offering Date, provided that the Option shall be exercised before the fifth anniversary of the relevant Offering Date or such earlier date as may be determined by the Option Committee, failing which the unexercised Option shall immediately lapse and become null and void.

An Option granted with the Exercise Price set at a discount to the Market Price shall be exercisable at any time by the Non-Executive Director after the second anniversary of the Offering Date, provided that the Option shall be exercised before the fifth anniversary of the relevant Offering Date or such earlier date as may be determined by the Option Committee, failing which the unexercised Option shall immediately lapse and become null and void.

2.2.7 Size and Duration of the CHH ESOS

The total number of Shares which may be delivered pursuant to the exercise of Options granted under the CHH ESOS on any date, when added to the number of Shares issued and issuable in respect of such other share-based incentive schemes of the Company, including but not limited to the CHH ESOS, shall not exceed fifteen per cent. (15%) of the total issued share capital (excluding Treasury Shares and subsidiary holdings) of the Company on the day preceding that date.

The CHH ESOS shall continue in force at the discretion of the Option Committee, subject to a maximum period of 10 years commencing on the date on which the CHH ESOS is adopted by the Company in general meeting, provided always that the CHH ESOS 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.

2.2.8 Operation of the CHH ESOS

Subject to the prevailing legislation and rules of the Listing Manual, the Company will have the flexibility to deliver Shares to Participants in relation to the exercise of an Option by way of:-

- (a) an issue of new Shares; and/or
- (b) the delivery of existing Shares (including Treasury Shares).

In determining whether to issue new Shares or to deliver existing Shares to Participants upon exercise of their Options, the Company may take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of either issuing new Shares or delivering existing Shares (including Treasury Shares).

Subject to such consents or other required actions of any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST), compliance with the Option Rules and the Constitution of the Company, the Company shall within one (1) month after the exercise of an Option by a Participant in accordance with Rule 11.1 of the Option Rules, allot or transfer existing Shares to the Participant and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Option Committee may deem fit.

New Shares allotted and issued, and existing Shares procured by the Company for transfer on the exercise of an Option shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

2.2.9 Adjustment Events under the CHH ESOS

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

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

shall be adjusted by the Option Committee in such manner as the Option Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, any adjustment must be confirmed in writing by the Auditor of the Company for the time being (acting as experts and not as arbitrators) to be in their opinion, fair and reasonable. For this purpose, "**Record Date**" means 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 (as the case may be).

The following (whether singly or in combination) shall not be regarded as events requiring adjustments:

- (i) the issue of securities as consideration for an acquisition of any assets by the Company or in connection with a private placement of securities; or
- (ii) any increase in the number of issued Shares as a consequence of the exercise of options or other convertibles issued from time to time by the Company entitling holders thereof to acquire new Shares in the capital of the Company (including the issue and allotment of Shares pursuant to the CHH ESOS or any other share-based incentive schemes implemented by the Company); or
- (iii) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) of such Shares undertaken by the Company on the SGX-ST during the period while a share purchase mandate granted by Shareholders (or any renewal thereof) is in force.

Notwithstanding the foregoing, no adjustments shall be made if as a result, a Participant would receive a benefit that a Shareholder does not receive.

2.2.10 Modification or Alterations to the CHH ESOS

The rules of the CHH ESOS may be modified or amended by resolution of the Option Committee from time to time subject to any necessary approvals of the SGX-ST (and any other stock exchange on which the Shares may be listed or quoted) and such other regulatory authorities as may be necessary except that:

- (a) any proposed modification or amendment, which would be to the advantage of the Participants under the CHH ESOS shall be subject to the prior approval of the Shareholders in general meeting;
- (b) no modification or amendment shall be made which would adversely affect the rights attached to Options granted prior to such modification or alteration except with the prior consent in writing of such number of Participants under the CHH ESOS who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in number of all Shares which would be available under the CHH ESOS; and
- (c) no modification or amendment shall be made without due compliance with the Listing Manual and such other regulatory authorities as may be necessary.

Notwithstanding anything to the contrary contained in the paragraph above, the Option Committee may at any time by resolution and without any other formality (save for the prior approval of the SGX-ST when necessary) modify or amend the rules of the CHH ESOS in any way to the extent necessary to cause the CHH ESOS 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).

2.2.11 Administration of the CHH ESOS

The CHH ESOS shall be administered by the Option Committee, which shall administer the CHH ESOS in its absolute discretion with such powers and duties as are conferred on it by the Board from time to time provided that no member of the Option Committee shall participate in any deliberation or decision in respect of Options granted or to be granted to him. The Directors will abstain from making any recommendation as a Director and, if applicable, abstain from voting as a member of the Option Committee, when the grant of Options to him is being considered.

The Option Committee shall have the power, from time to time, to make and vary such rules and regulations or impose terms and conditions necessary, desirable or expedient for the implementation and administration of the CHH ESOS as it may think fit.

Any decision of the Option Committee made pursuant to any provision of the CHH ESOS (other than a matter to be certified or confirmed by the Auditor of the Company for the time being, acting as experts and not as arbitrators), shall be final and binding (including any decisions pertaining to quantum of discount applicable to an Option or to disputes as to interpretation of the CHH ESOS or any regulation, rule or procedure thereunder or as to any rights under the CHH ESOS).

2.2.12 Taxes, Costs and Expenses relating to the CHH ESOS

All taxes (including income tax, if applicable) arising from the grant and/or disposal of Shares pursuant to the exercise of Options granted to any Participant under the CHH ESOS shall be borne by that Participant.

Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the exercise of any Options in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank.

Save for the above, all other fees, costs and expenses incurred by the Company in relation to the CHH ESOS shall be borne by the Company.

2.3 **FINANCIAL EFFECTS OF THE CHH ESOS**

The following sets out the financial effects of the CHH ESOS:

2.3.1 Share Capital

The CHH ESOS will result in an increase in the Company's issued Shares only where new Shares are issued to Participants. The number of new Shares issued will depend on, *inter alia*, the number of Shares comprised in the Options granted under the CHH ESOS. In any case, the CHH ESOS provides that the total number of new Shares to be issued under the CHH ESOS on any date, when added to the number of Shares issued and issuable in respect of such other share-based incentive schemes of the Company, including but not limited to the CHH ESOS, will be subject to the maximum limit of fifteen per cent. (15%) of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) preceding the date of exercise of the Option.

If, instead of issuing New Shares to Participants, existing Shares are purchased for delivery to Participants or Treasury Shares are transferred and delivered to Participants in lieu of issuing New Shares or no Options are exercised, the CHH ESOS will have no impact on the Company's issued share capital.

2.3.2 NTA

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

2.3.3 EPS

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

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

2.3.4 Potential Cost of Options

The Singapore Financial Reporting Standards (International) 2 (“**SFRS(I) 2**”) relating to share-based payments took effect for all listed companies beginning 1 January 2018. Under SFRS(I) 2, the recognition of an expense in respect of Options granted under the CHH ESOS is required. The expense will be based on the fair value of the Options at each date of grant of the Options and will be recognised over the vesting period. This fair value is normally estimated by applying the option pricing model at the date of grant of the Options, taking into account the terms and conditions of the grant of the Options and recognised as a charge to the Company’s consolidated profit and loss statement (“**P&L**”) over the period from the date of grant of the Options to the vesting date (the “**Vesting Period**”), with a corresponding credit to the Company’s reserve account.

Before the end of the Vesting Period and at the end of each accounting year, the estimate of the number of Options that are expected to vest in each Participant by the vesting date is revised, and the impact of the revised estimate is recognised in the consolidated P&L with a corresponding adjustment to the Company’s reserve account. After the vesting date, no adjustment of the charge to the consolidated P&L is made.

3. PARTICIPATION IN THE CHH ESOS

3.1 NON-PARTICIPATION IN THE CHH ESOS BY THE CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES

Controlling Shareholders and their Associates are not eligible to participate in the CHH ESOS.

3.2 NON-PARTICIPATION IN THE CHH ESOS BY ASSOCIATED COMPANY EMPLOYEES

As the Company does not exercise control over its Associated Companies, the directors and employees of the Company’s Associated Companies are not eligible to participate in the CHH ESOS.

3.3 NON-PARTICIPATION IN THE CHH ESOS BY DIRECTORS AND EMPLOYEES OF THE COMPANY’S PARENT COMPANY AND ITS SUBSIDIARIES

The directors and employees of the Company’s parent company and its subsidiaries are not eligible to participate in the CHH ESOS.

3.4 PARTICIPATION IN THE CHH ESOS BY THE NON-EXECUTIVE DIRECTORS

3.4.1 Participation by Non-Executive Directors

While the proposed CHH ESOS is primarily intended to cater to employees of the Group, it should also be recognised that there are other persons who make and can make significant contributions to the Group even though they are not employed within the Group. These may include the Non-Executive Directors who are from different professions and commercial backgrounds, bringing to the Group their wealth of knowledge, business expertise and contacts within the business community. They play an important role in helping the Group shape its business and growth strategies by allowing the Group to draw on their diverse backgrounds and experiences. It is crucial for the Group to attract and retain these Non-Executive Directors by allowing them to participate in the proposed CHH ESOS. This allows the Company to give recognition to their services and contributions and to further align their interests with that of the Group.

The Directors are of the view that including the Non-Executive Directors in the proposed CHH ESOS will allow the Company to show its appreciation for the Non-Executive Directors of the Group and to further motivate them to contribute towards the success of the Group.

The Option Committee when deciding on the selection of the Non-Executive Directors to participate in the proposed CHH ESOS and the number of Shares comprised in each Option, will take into consideration non-financial performance criteria such as the nature and extent of their input, assistance and expertise rendered to the boards on which they sit and impact thereof on the growth, success and development of the Company and the Group as well as their years of service and extent of involvement and commitment to the boards on which they sit.

3.4.2 Independent status of Independent Non-Executive Directors

Notwithstanding the eligibility of Independent Non-Executive Directors to participate in the CHH ESOS, the Directors are of the view that the participation of the Independent Non-Executive Directors will not compromise their independent status for the following reasons:

- (a) the primary purpose of the CHH ESOS is to function as an additional tool for the Company to motivate the eligible employees through the tailoring of attractive remuneration packages for the particular Participant's circumstances;
- (b) the Independent Non-Executive Directors would primarily continue to be remunerated for their services by way of directors' fees payable in cash;
- (c) Each Independent Non-Executive Director will abstain from making any recommendation as a Director and, if applicable, abstain from voting as a member of the Option Committee, when the grant of Options to him is being considered; and
- (d) it is envisaged that the Options granted to the participating Independent Non-Executive Directors (if any), will not be significant and will only be made in exceptional circumstances having regard to the criteria as set out above in paragraph 3.3.1. In particular, it is not the intention of the Board that Independent Non-Executive Directors be granted Options of significant sizes such that it could interfere, or be reasonably perceived to interfere, with the exercise of the Independent Non-Executive Director's independent business judgement in the best interests of the Company.

Based on the foregoing reasons, the Directors are of the view that the participation by Independent Non-Executive Directors will not compromise their independent status.

4. DISCLOSURES IN ANNUAL REPORTS

4.1 In accordance with the Listing Manual, the following disclosures (as applicable) will be made by the Company in its annual report for so long as the CHH ESOS remains in operation:

- (a) the names and members of the Option Committee administering the CHH ESOS;

- (b) in respect of the following Participants:-
- (i) Directors of the Company; and
 - (ii) Participants (other than those in paragraph (i) above) who have received Shares pursuant to the grant of Options granted under the CHH ESOS which, in aggregate represent five per cent. (5%) or more of the aggregate number of Options under the CHH ESOS,

the following information:

(A) the name of the Participant;

(B) the following particulars relating to Options granted under the CHH ESOS:

- (1) the number of Options granted during the financial year under review (including terms);
- (2) the aggregate number of Shares comprised in Options granted since the commencement of the CHH ESOS up to the end of the Financial Year in review;
- (3) the aggregate number of Options exercised since the commencement of the CHH ESOS up to the end of the Financial Year under review;
- (4) the aggregate number of Options outstanding as at the end of the Financial Year under review;

(c) where applicable, the number and proportion of Options granted at a discount during the Financial Year in review in respect of every ten per cent. (10%) range, up to the maximum quantum of discount granted; and

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

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

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of Directors and Substantial Shareholders in the Shares of the Company, as at the Latest Practicable Date, are as follows:-

	Direct Interest		Deemed interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Lo Pang Foo Steven	-	-	-	-
Peh Kwee Chim ⁽²⁾	37,709,100	4.08	478,264,490	51.69
Peh Siong Woon Terence ⁽³⁾	-	-	478,264,490	51.69
Heng Su-Ling Mae	-	-	50,000	0.005
Lim Kwee Siah	230,000	0.025	-	-
Substantial Shareholders (other than Directors)				
Kai Xin Guo Pte Ltd ⁽⁴⁾	478,264,490	51.69		
Qing Shan Pte Ltd ⁽⁴⁾	-	-	478,264,490	51.69
TMF Trustees Singapore Limited ⁽⁴⁾	-	-	478,264,490	51.69
Beamsbury Limited ⁽⁵⁾	-	-	478,264,490	51.69

Notes:-

- (1) As a percentage of the issued share capital of the Company comprising 925,281,150 Shares as at the Latest Practicable Date (excluding Treasury Shares and subsidiary holdings).
- (2) Mr Peh Kwee Chim is a director of Kai Xin Guo Pte Ltd and is also the settlor of the Trust (as defined below in Note (4)), and is therefore deemed, pursuant to Section 4 of the SFA and Section 7 of the Act, to have an interest in the 478,264,490 Shares of the Company held by Kai Xin Guo Pte Ltd.
- (3) Mr Peh Siong Woon Terence is a director of Kai Xin Guo Pte Ltd and is also a beneficiary of the Trust (as defined below in Note (4)) and is therefore deemed, pursuant to Section 4 of the SFA and Section 7 of the Act, to have an interest in the 478,264,490 Shares of the Company held by Kai Xin Guo Pte Ltd.
- (4) Kai Xin Guo Pte Ltd is a wholly-owned subsidiary of Qing Shan Pte Ltd which is in turn entirely held by TMF Trustees Singapore Limited as trustee of a trust constituted by Mr Peh Kwee Chim ("Trust").
- (5) Beamsbury Limited, the nominee corporate director of TMF Trustees Singapore Limited and sole director of Qing Shan Pte Ltd, manages, controls the operations of and determines the policy with respect to Qing Shan Pte Ltd.

6. DIRECTORS' RECOMMENDATION

Save for Mr Peh Kwee Chim and Mr Peh Siong Woon Terence, each of whom is a Controlling Shareholder, all of the Directors are eligible to participate in, and are therefore, interested in the Proposed CHH ESOS Adoption. Accordingly, Mr Lo Pang Foo Steven, Ms Heng Su-Ling Mae and Mr Lim Kwee Siah have refrained from making any recommendation as to how Shareholders should vote in respect of the ordinary resolutions for the Proposed Adoption of the CHH ESOS as set out in the Notice of EGM on pages N-1 to N-3 of this Circular.

Mr Peh Kwee Chim and Mr Peh Siong Woon Terence, who are ineligible to participate in the proposed CHH ESOS as they are each a Controlling Shareholder, having reviewed and considered the rationale and benefit of the proposed adoption of the CHH ESOS, are of the view that the proposed adoption of the CHH ESOS is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolutions relating to the CHH ESOS as set out in the Notice of EGM, at the EGM.

7. ABSTENTION FROM VOTING

Save for Mr Peh Kwee Chim and Mr Peh Siong Woon Terence, each of whom is a Controlling Shareholder, all of the Directors are entitled to participate in the CHH ESOS. Accordingly, Mr Lo Pang Foo Steven, Ms Heng Su-Ling Mae and Mr Lim Kwee Siah shall abstain from voting in respect of their holdings of Shares (if any) at the EGM in respect of the ordinary resolutions for the Proposed CHH ESOS.

Any Shareholder entitled to participate in the proposed CHH ESOS shall abstain from voting at the EGM in respect of the ordinary resolutions for the Proposed CHH ESOS.

8. EXTRAORDINARY GENERAL MEETING

The EGM will be held by way of electronic means on 29 October 2020 at 11.00 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM of the Company to be convened at 10.30 a.m. on the same day). Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, Shareholders will not be allowed to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate in the EGM by (a) observing and/or listening to the EGM proceedings via live audio webcast or live audio-only stream; (b) submitting questions in advance of the EGM; and/or (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the EGM.

For further information, Shareholders should refer to the Notice of EGM on pages N-1 to N-3 of this Circular and the Company's announcement dated 6 October 2020 which has been uploaded on SGXNET together with this Circular, including the steps to be taken by Shareholders to participate at the EGM.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who wish to vote on the resolution at the EGM must appoint the Chairman of the EGM as their proxy by downloading, printing and completing the Proxy Form in accordance with the instructions printed thereon, which have been uploaded together with the Notice of EGM and this Circular on SGXNET and the Company's website and may be accessed at the URL: <http://www.chuanhup.com.sg/agmegm.html>.

The physical proxy form can be submitted by post or as a clearly readable image sent by email no later than seventy-two (72) hours before the time appointed for the EGM. If the physical proxy form is sent by post, the proxy form must be posted to and received at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road #02-00 Singapore 068898. If sent by email, the proxy form must be sent by email to the following email address: sg.is.proxy@sg.tricorglobal.com.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP at least seventy-two (72) hours before the time fixed for 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 Proposed Adoption of the CHH ESOS and the proposed grant of authority to offer and grant options at a discount under the CHH ESOS, 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 this Circular in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the proposed rules of the CHH ESOS, appended in the **Appendix** to this Circular, may be inspected at the registered office of the Company during normal business hours from the date of this Circular up to and including the date of the EGM.

Yours faithfully
For and on behalf of the Board of Directors of
CHUAN HUP HOLDINGS LIMITED

Mr Lo Pang Foo Steven
Chairman

APPENDIX – RULES OF THE CHUAN HUP HOLDINGS EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SCHEME

This Scheme shall be called the “Chuan Hup Holdings Employee Share Option Scheme” (the “**CHH ESOS**”).

2. DEFINITIONS

2.1 In the CHH ESOS, except where the context otherwise requires, the following words and expressions shall have the following meanings:

- “Acceptance Period”** : The period within which an Option may be accepted, as described in Rule 7.2
- “Associate” or “Associates”** : (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 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;
- (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 Company”** : A company in which at least twenty per cent. (20%) but no more than fifty per cent. (50%) of its shares are held by the Company
- “Auditor”** : The Auditor of the Company for the time being
- “Board” or “Board of Directors”** : The board of directors of the Company for the time being
- “CDP” or “Depository”** : The Central Depository (Pte) Limited
- “Company”** : Chuan Hup Holdings Limited
- “Companies Act”** : The Companies Act, Chapter 50 of Singapore, as amended from time to time
- “Constitution”** : The constitution of the Company, as amended or modified from time to time

“Controlling Shareholder”	: A person who:- (a) holds directly or indirectly fifteen per cent. (15%) or more of all voting shares (excluding Treasury Shares and subsidiary holdings) in the Company, unless determined by SGX-ST that such person is not a controlling shareholder; or (b) in fact exercises control over the Company
“Directors”	: The directors of the Company for the time being (including non-executive directors and independent directors) of the Group for the time being and/or its subsidiaries as the case may be
“Executive Director”	: A director of the Company who performs an executive function
“Exercise Price”	: The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 8, or such adjusted price as may be applicable pursuant to Rule 12
“Grantee”	: The person to whom an offer of an Option is made
“Group”	: The Company and its subsidiaries
“Group Employee”	: Any confirmed employee of the Group (including any Director) selected by the Option Committee to participate in the CHH ESOS in accordance with the rules herein.
“Letter of Offer”	: Shall have the meaning ascribed to it in Rule 6.3
“Market Day”	: A day on which the SGX-ST is open for trading in securities.
“Market Price”	: The average of the last dealt price for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Offering Date provided always that in the case of a Market Day on which the Shares are 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, rounded up to the nearest whole cent in the event of fractional prices
“Non-Executive Director”	: A director of the Company other than one who performs an executive function (including an Independent Director)
“Offering Date”	: The date on which an Option is granted pursuant to a Letter of Offer
“Option”	: The right to acquire Shares granted or to be granted to a Group Employee pursuant to the CHH ESOS and for the time being subsisting
“Option Committee”	: Means the committee comprising all the members of the Remuneration Committee of the Company from time to time, as may be duly authorised and appointed by the Board to administer the CHH ESOS

“Option Period”	: The period for the exercise of an Option as set out in Rule 9.1 or 9.2 (as the case may be)
“Participant”	: An eligible person selected by the Option Committee or the Plan Committee to participate in the Option Scheme or the Plan in accordance with the rules thereof
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Share(s)”	: Ordinary share(s) in the issued and paid-up capital of the Company
“Shareholders”	: The registered holders of Shares in the register of members of the Company, except where the registered depositor is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the persons to whose securities accounts maintained with CDP are credited with the Shares
“subsidiary holdings”	: shall have the meaning ascribed to it in the Companies Act
“%” or “per cent”	: Per centum or percentage

- 2.2 The terms **“Depositor”**, **“Depository”**, **“Depository Register”** and **“Depository Agent”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Cap 289). The term **“Treasury Shares”** shall have the meaning ascribed to it in Section 4 of the Companies Act.
- 2.3 Words importing the singular number shall, where applicable, include the plural number and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall include corporations.
- 2.4 Any reference to a time of a day in this CHH ESOS is a reference to Singapore time.
- 2.5 Any reference in CHH ESOS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in this CHH ESOS shall, where applicable, have the same meaning assigned to it under the Companies Act.
- 2.6 Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

3. OBJECTIVES

The objectives of the CHH ESOS are as follows:

- (a) to motivate Participants to optimise performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees whose contributions are important to the long-term growth and prosperity of the Group;
- (c) to attain a harmonious employer/employee relations as well as the strengthening of working relationships with the Group's close business associates;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders;
- (e) to align the interests of the Participants with the interests of the Shareholders; and
- (f) to develop a participatory style of management which promotes greater commitment and dedication among the employees and instill loyalty and a stronger sense of identification with the long-term prosperity of the Group.

4. ELIGIBILITY

4.1. Subject to the absolute discretion of the Option Committee, Group Employees (including any Director) who:

- (a) have attained the legal age of 21 years on or before the Offering Date; and
- (b) are not undischarged bankrupts,

shall be eligible to participate in the CHH ESOS. For the avoidance of doubt, Controlling Shareholders and their Associates are not eligible to participate in the CHH ESOS.

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

4.3 Subject to the Companies Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted from time to time (if applicable), the terms of eligibility for participation in the CHH ESOS may be amended from time to time at the absolute discretion of the Option Committee.

5. LIMITATIONS UNDER THE CHH ESOS

The aggregate number of Shares for which an Option may be granted on any date under the CHH ESOS, when added to the number of Shares issued and/or issuable in respect of:

- (a) all Options granted under the CHH ESOS; and
- (b) all Shares, options or awards granted under any other share option or share-based incentive scheme,

shall not exceed fifteen per cent. (15%) of the total issued Shares of the Company (excluding Treasury Shares and subsidiary holdings) on the day preceding the Offering Date.

6. GRANT OF OPTIONS

- 6.1 The Option Committee may grant Options at any time during the period when the CHH ESOS is in force.
- 6.2 Subject to Rules 4 and 5, the number of Shares which are the subject of each Option to be granted to a Participant under the CHH ESOS shall be determined at the absolute discretion of the Option Committee, which shall take into consideration, where applicable, factors such as the seniority of position, performance, length of service and potential for future development of the eligible Group Employee.
- 6.3 An offer to grant an Option to a Participant shall be made by way of a letter (the “**Letter of Offer**”) in the form or substantially in the form set out in Schedule 1 of this CHH ESOS, subject to such amendments as the Option Committee may determine from time to time.

7. ACCEPTANCE OF OFFER

- 7.1 An option is personal to the Participant to whom it is granted and shall not be transferred (other than to a Participant’s personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of the Option Committee.
- 7.2 An Option offered to a Participant pursuant to Rule 6 may only be accepted by the Participant within thirty (30) days after the relevant Offering Date and not later than 5.00 p.m. on the 30th day from such Offering Date. The grant of an Option must be accepted by completing, signing and returning of the Acceptance Form in or substantially in the form set out in Schedule 2 of this CHH ESOS, subject to such modification as the Option Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration or such other amount and such other documentation as the Option Committee may require. The Option is deemed not accepted until the Company is in actual receipt of the Acceptance Form.

- 7.3 Unless the Option Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) a grant of an Option is not accepted strictly in the manner as provided in Rule 7.2 within the Acceptance Period;
 - (b) the Grantee dies prior to his acceptance of the Option;
 - (c) the Grantee is adjudicated a bankrupt or enters into a composition with his creditors prior to his acceptance of the Option;
 - (d) the Grantee being an Executive Director or, as the case may be, an Employee ceases to be in the employment of the Group or (being a Non-Executive Director) ceases to be a Director of the Company, in each case, for any reason whatsoever prior to his acceptance of the Option; or
 - (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.
- 7.4 The Company shall be entitled at its absolute discretion to reject any purported acceptance of a grant of an Option made pursuant to this Rule 7 or Exercise Notice (as defined in Rule 11) given pursuant to Rule 11 which does not strictly comply with the terms of this CHH ESOS.
- 7.5 In the event that the grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.

8. EXERCISE PRICE

- 8.1 Subject to any adjustment pursuant to Rule 12, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Option Committee at its absolute discretion, and shall be fixed by the Option Committee at:
- (a) the Market Price; or
 - (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Option Committee at its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed twenty per cent. (20%) of the Market Price in respect of that Option.
- 8.2 In making any determination under Rule 8.1(b) on whether to give a discount and the quantum of such discount, the Option Committee shall be at liberty to take into consideration such criteria as the Option Committee may, at its absolute discretion, deem appropriate, including but not limited to:
- (a) the performance of the Company, its subsidiaries and Associated Companies, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;
 - (b) the years of service and individual performance of the eligible Group Employee;

- (c) the contribution of the eligible Group Employee to the success and development of the Company and/or the Group; and
- (d) the prevailing market and economic conditions.

8.3 In the event that the Company is no longer listed on the SGX-ST or any other relevant stock exchange or trading in the Shares on the SGX-ST or such stock exchange is suspended for any reason for fourteen (14) days or more, the Exercise Price for each Share in respect of which an Option is exercisable shall be the fair market value of each such Share as determined by the Option Committee in good faith.

9. EXERCISE OF OPTION

9.1 Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1000 Shares or any multiple thereof), at any time, by a Participant after the first anniversary of the Offering Date of that Option, provided always that:

- (a) in the case of a Participant (including Executive Directors but excluding Non-Executive Directors), the Options shall be exercised before the tenth anniversary of the relevant Offering Date, or such earlier date as may be determined by the Option Committee, failing which all unexercised Options shall immediately lapse and become null and void and he shall have no claim against the Company; or
- (b) in the case of a Non-Executive Director, the Options shall be exercised before the fifth anniversary of the relevant Offering Date, or such earlier date as may be determined by the Option Committee, failing which all unexercised Options shall immediately lapse and become null and void and he shall have no claim against the Company.

9.2 Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1000 Shares or any multiple thereof), at any time, by a Participant after the second anniversary from the Offering Date of that Option, provided always that:

- (a) in the case of a Participant (including Executive Directors but excluding Non-Executive Directors), the Options shall be exercised before the tenth anniversary of the relevant Offering Date, or such earlier date as may be determined by the Option Committee, failing which all unexercised Options shall immediately lapse and become null and void and he shall have no claim against the Company.
- (b) in the case of a Non-Executive Director, the Options shall be exercised before the fifth anniversary of the relevant Offering Date, or such earlier date as may be determined by the Option Committee, failing which all unexercised Options shall immediately lapse and become null and void and he shall have no claim against the Company.

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

- (a) subject to Rules 9.4, 9.5, and 9.6, upon the 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 Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option; or
- (c) in the event of misconduct on the part of the Participant, as determined by the Option Committee in its absolute discretion.

For the purpose of Rule 9.3(a), a 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.

9.4 If a 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 Option Committee;
- (b) redundancy;
- (c) retirement at or after a normal retirement age;
- (d) retirement before that age with the consent of the Option Committee; or
- (e) for any other reason approved in writing by the Option Committee,

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

9.5 If a 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 Option Committee gives its consent in writing,

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

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

- 9.7 If a Participant, who is also an Executive Director or a Non-Executive Director (as the case may be), ceases to be a director for any reason whatsoever, he may, at the absolute discretion of the Option Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

10. TAKE-OVER AND WINDING UP OF COMPANY

- 10.1 Notwithstanding Rule 9 but subject to Rule 10.5, in the event of a take-over being made for the Shares, a Participant shall be entitled to exercise in full or in part any Option held by him and as yet unexercised, in the period commencing on the date on which such offer is made or, if such offer is unconditional, the date on which such 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 six-month period, at the recommendation of the offeror and with the approvals of the Option 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 Option Period relating thereto); or
- (b) the date of the expiry of the Option 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 Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participants until such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised by the specified date shall lapse and become null and void provided that the rights of acquisition or obligation to acquire 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 9 remain exercisable until the expiry of the Option Period relating thereto.

- 10.2 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a CHH ESOS for the reconstruction of the Company or its amalgamation with another company or companies, each Participant (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 9.1) shall be entitled, notwithstanding the provisions under Rule 9 but subject to Rule 10.5, to exercise any Option then held by 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 sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option period relating thereto), whereupon the Option shall lapse and become null and void.
- 10.3 If an order is made for the winding-up of the Company on the basis of its insolvency, all Options, to the extent that they are unexercised, shall be deemed or become null and void.

- 10.4 In the event of a members' voluntary winding-up (other than for amalgamation or reconstruction), the Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 9.1) shall be entitled within thirty (30) days of the passing of the resolution of such winding-up (but not after the expiry of the Option Period relating thereto), to exercise any unexercised Option, after which period such unexercised Option shall lapse and become null and void.
- 10.5 If in connection with the making of a general offer referred to in Rule 10.1 or the CHH ESOS referred to in Rule 10.2 or the winding-up referred to in Rule 10.4, arrangements are made (which are confirmed in writing by the Auditor, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the payment of cash or by any other form of benefit, no exercise of an Option (to the extent not yet exercised) shall be made in such circumstances.
- 10.6 To the extent that an Option is not exercised within the periods referred to in this Rule 10, it shall lapse and become null and void.

11. MANNER OF EXERCISE

- 11.1 An Option may be exercised during the Option Period, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiples thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Schedule 3 of this CHH ESOS (the "**Exercise Notice**"), subject in each case to such modifications as the Option 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 must have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Option Committee may require. An Option shall be deemed to be exercised upon the receipt by the Company of Exercise Notice duly completed, the relevant documentation required by the Option Committee and the aggregate Exercise price.
- 11.2 All payments shall be made by cheque, cashier's order, bank draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company.
- 11.3 Subject to the Companies Act and the Listing Manual, the Company shall have the flexibility to deliver Shares to Participants upon the exercise of their Options by way of:
- (a) an issue and allotment of new Shares; and/or
 - (b) subject to applicable laws, the transfer of existing Shares, including any Shares acquired by the Company pursuant to a share purchase mandate and/or held by the Company as Treasury Shares.

11.4. Subject to:

- (a) such consents or other required actions of any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
- (b) compliance with the Rules of this CHH ESOS and the Constitution of the Company,

the Company shall within one (1) month after the exercise of an Option by a Participant in accordance with Rule 11.1, allot or transfer existing Shares to the Participant and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Option Committee may deem fit.

11.5. 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.

11.6. Shares which are allotted or transferred on the exercise of an Option by a Participant shall be issued or transferred to, in the name of CDP to the credit of the securities account of that Participant maintained with CDP, the securities sub-account maintained with a Depository Agent or the CPF investment account maintained with a CPF agent bank.

11.7. Shares issued and allotted or transferred upon the exercise of an Option shall be subject to all the provisions of the Constitution of the Company, and shall rank in full for all entitlements, excluding dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which falls on or before the relevant date of the exercise of the Option, and shall in all other respects rank *pari passu* with other existing Shares then in issue. "**Record Date**" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

Except as set out in Rule 11 and subject to Rule 12, an Option does not confer on a Participant any right to participate in any new issue of Shares.

12. ADJUSTMENT EVENTS

12.1. If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits, reserves, rights issue, reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued Shares), subdivision, consolidation or distribution, or issues for cash or for shares or otherwise howsoever) shall take place, then:-

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

shall be adjusted by the Option Committee in such manner as the Option Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of exercise of an Option but 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 Auditor (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable. For this purpose, "**Record Date**" means 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 distributors (as the case may be).

12.2. The following (whether singly or in combination) shall not be regarded as events requiring adjustments:-

- (a) the issue of securities as consideration for an acquisition of any assets by the Company or in connection with a private placement of securities;
- (b) any increase in the number of issued Shares as a consequence of the exercise of options or other convertibles issued from time to time by the Company entitling holders thereof to acquire new Shares in the capital of the Company (including the issue and allotment of Shares pursuant to or any other share-based incentive schemes implemented by the Company); or
- (c) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) of such Shares undertaken by the Company on the SGX-ST during the period while a share purchase mandate granted by Shareholders (or any renewal thereof) is in force.

12.3 Notwithstanding Rule 12.1, no such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.

12.4 Upon any adjustment made, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the new Exercise Price thereafter in effect and the number of Shares thereafter comprised in the Option insofar as it is unexercised. Any adjustment shall take effect upon such written notice being given.

13. ADMINISTRATION OF THE CHH ESOS

13.1 The CHH ESOS shall be administered by the Option Committee duly authorised and appointed by the Board, in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Option Committee shall participate in any deliberation or decision in respect of Options granted or to be granted to him.

13.2 The Option Committee shall have the power, from time to time, to make and vary such rules and regulations or impose terms and conditions necessary, desirable or expedient for the implementation and administration of the CHH ESOS as it may think fit including, but not limited to, imposing restrictions on the number of Options that may be exercised within particular sections of the relevant Option Period.

13.3 Any decision of the Option Committee, made pursuant to any provision of this CHH ESOS (other than a matter to be certified or confirmed by the Auditor of the Company for the time being, acting as experts and not as arbitrators), shall be final and binding (including any decisions pertaining to disputes as to interpretation of the CHH ESOS or any regulation, rule or procedure thereunder or as to any rights under the CHH ESOS).

14. MODIFICATIONS AND ALTERATIONS TO THE CHH ESOS

14.1 The rules of the CHH ESOS may be modified or amended by resolution of the Option Committee from time to time subject to any necessary approvals of the SGX-ST (and any other stock exchange on which the Shares may be listed or quoted) and such other regulatory authorities as may be necessary except that:

- (a) any proposed modification or amendment, which would be to the advantage of the Participants under the CHH ESOS (as confirmed by the Auditor of the Company for the time being, acting as experts and not arbitrators) shall be subject to the prior approval of the Shareholders in general meeting;
- (b) no modification or amendment shall be made which would adversely affect the rights attached to Options granted prior to such modification or alteration except with the prior consent in writing of such number of Participants under the CHH ESOS who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in number of all Shares which would be available under the CHH ESOS; and
- (c) no modification or amendment shall be made without due compliance with the Listing Manual and such other regulatory authorities as may be necessary.

14.2 Notwithstanding anything to the contrary contained in the paragraph above, the Option Committee may at any time by resolution and without any other formality (save for the prior approval of the SGX-ST when necessary) modify or amend the rules of the CHH ESOS in any way to the extent necessary to cause the CHH ESOS 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).

14.3 The Company shall give written notice of any modification or alteration made in accordance with this Rule to be given to all Participants.

15. DURATION OF THE CHH ESOS

15.1 The CHH ESOS shall continue in force at the discretion of the Option Committee, subject to a maximum period of 10 years commencing on the date on which the CHH ESOS is adopted by the Company in general meeting, provided always that the CHH ESOS 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.

15.2 Upon the termination of the CHH ESOS, no additional Options shall be granted by the Company hereunder.

15.3 The termination of this CHH ESOS shall not affect the rights accrued to Options which have been granted and accepted, whether such Options have been exercised (whether fully or partial) or not.

16. DISCLOSURES IN ANNUAL REPORT

16.1 The Company shall disclose the following in its annual report to Shareholders in compliance with the Listing Manual for so long as the CHH ESOS continues in operation:-

- (a) the names and members of the Option Committee;
- (b) in respect of the following Participants of the CHH ESOS:-
 - (i) Directors of the Company; and
 - (ii) Participants (other than those in paragraph (i) above) who have received Shares pursuant to the grant of Options granted under the CHH ESOS which, in aggregate represent five per cent. (5%) or more of the aggregate number of Options under the CHH ESOS,

the following information:

Name of Participant	Options granted during the financial year under review (including terms)	Aggregate Options granted since commencement of the Plan to end of financial year under review	Aggregate Options exercised since commencement of the Plan to end of financial year under review	Aggregate Options outstanding as at end of financial year under review
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- (c) in relation to the CHH ESOS, the following particulars:-
 - (i) the number and proportion of Options granted at a discount during the Financial Year in review in respect of every ten per cent. (10%) range, up to the maximum quantum of discount granted;
 - (ii) The aggregate number of Options granted to the directors and employees of the parent company and its subsidiaries for the financial year under review, and since the commencement of the scheme to the end of the financial year under review; and
- (d) such other information as may be required by the Listing Manual or the Companies Act.

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

17. NOTICES

- 17.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses as may be notified by the Company to him in writing.
- 17.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Option 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 according to the records of the Company or at the last known address of the Participant and if sent by post, shall be deemed to have been given on the day following the date of posting.
- 17.3 Any notice sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is posted, and in proving such service by post, it shall be sufficient to prove that the letter or wrapper containing the same was properly addressed and put into the post office as a prepaid letter or wrapper.

18. TERMS OF EMPLOYMENT UNAFFECTED

- 18.1 The CHH ESOS or any Option granted hereunder shall not form part of any contract of employment between the Company or any of its subsidiaries (as the case may be) and any Participant and the rights and obligations of any individual under the terms of office or employment with such company within the Group shall not be affected by his participation in the CHH ESOS or any right which he may have to participate in it or any rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.
- 18.2 The CHH ESOS shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company and/or any of its subsidiaries directly or indirectly or give rise to any cause of action at law or in equity against the Company and/or any of its subsidiaries.

19. TAXES, COSTS AND EXPENSES

- 19.1 All taxes (including income tax, if applicable) arising from the grant and/or disposal of Shares pursuant to the Options granted to any Participant under the CHH ESOS shall be borne by that Participant.
- 19.2 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the exercise of any Options in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank.
- 19.3 Save for the above, all other fees, costs and expenses incurred by the Company in relation to the CHH ESOS shall be borne by the Company.

20. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Board, the Option Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing the Shares or applying for or procuring the listing of the Shares on the SGX-ST in accordance with Rule 11.5.

21. DISPUTES

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

22. ISSUE OF SHARES CONTRARY TO LAW

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

23. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the CHH ESOS must abstain from voting on any resolution relating to the CHH ESOS.

24. GOVERNING LAW

The CHH ESOS shall be governed by, and construed in accordance with the laws of the Republic of Singapore. The Participants, by accepting the offer of the grant of Options in accordance with the CHH ESOS, and the Company irrevocably submits to the exclusive jurisdiction of the courts of the Republic of Singapore.

**CHUAN HUP HOLDINGS LIMITED
EMPLOYEE SHARE OPTION SCHEME**

LETTER OF OFFER

PRIVATE AND CONFIDENTIAL

Date:

To: [Name]
[Designation]
[Address]

Dear Sir/Madam

We are pleased to inform you that you have been nominated by the Option Committee to participate in the Chuan Hup Holdings Employee Share Option Scheme (the “**CHH ESOS**”). Terms as defined in the CHH ESOS shall have the same meaning when used in this letter.

Accordingly, an offer is hereby made to grant you an Option, in consideration of the payment of a sum of S\$1.00, to subscribe for and be allotted [■] Shares in the capital of the Company at the price of S\$[■] per Share (the “**Exercise Price**”). The Option shall be subject to the terms of this Letter of Offer and the Rules of the CHH ESOS (as the same may be amended from time to time pursuant to the terms and conditions of the CHH ESOS). You may obtain a copy of the Rules of the CHH ESOS from the Company.

The Option is personal to you and may not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$[■] not later than [time] on [date] failing which this offer will forthwith lapse.

Yours faithfully
For and on behalf of
Chuan Hup Holdings Limited

Name:

Designation:

**CHUAN HUP HOLDINGS LIMITED
EMPLOYEE SHARE OPTION SCHEME**

ACCEPTANCE FORM

Date:

To: The Option Committee
Chuan Hup Holdings Employee Share Option Scheme
8 Eu Tong Sen Street
#24-90 The Central
Singapore 059818

Closing Date and Time for Acceptance of Option : _____

No. of Shares in respect of which Option is offered : _____

Exercise Price per Share : _____

Total Amount Payable on acceptance of Option : _____
(exclusive of the relevant CDP charges)

I have read your Letter of Offer dated [■] (the “**Offering Date**”) and agree to be bound by the terms hereof and of the Chuan Hup Holdings Employee Share Option Scheme stated therein. I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to subscribe for such shares.

I hereby accept the Option to subscribe for [■] Shares in the capital of the Company (the “**Shares**”) at S\$[■] per Share and enclose a *cheque/banker’s draft/cashier’s order/postal order no. [■] for S\$[■] being payment for the purchase of the Option.

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

I also understand that I shall be responsible for all the fees of CDP relating to or in connection with the issue and allotment of any Shares in CDP’s name, the deposit of share certificate(s) with CDP, the Participant’s securities account with CDP or the participant’s securities sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank.

I confirm as at the date hereof:

- (a) I am not less than 21 year old, nor an undischarged bankrupt, nor have I entered into a composition with any of my creditors; and
- (b) I satisfy the eligibility requirements to participate in the CHH ESOS and such other requirements to participate in the CHH ESOS as set out in the Rules of the CHH ESOS.

I hereby acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer. I agree to keep all information pertaining to the grant of the Option to me confidential.

PLEASE PRINT IN BLOCK LETTERS

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

** Delete where inapplicable*

Notes:

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

**CHUAN HUP HOLDINGS LIMITED
EMPLOYEE SHARE OPTION SCHEME**

EXERCISE NOTICE

To: The Option Committee
Chuan Hup Holdings Employee Share Option Scheme
8 Eu Tong Sen Street
#24-90 The Central
Singapore 059818

Total Number of Shares (the "Share") at S\$[■] per Share under an Option granted on [date] : _____

No. of Shares previously allotted and issued thereunder : _____

Outstanding balance of Shares which may be allotted and issued thereunder : _____

Number of Shares now to be subscribed (in multiples of 1,000) : _____

Pursuant to your Letter of Offer dated [■] (the "**Offering Date**") and my acceptance thereof, I hereby exercise the Option to subscribe for Shares in Chuan Hup Holdings Limited (the "**Company**") at S\$[■] per Share.

I hereby request the Company to allot and issue to me the number of Shares specified above in the name of The Central Depository (Pte) Limited ("**CDP**") to the credit of my Securities Account with a CDP/*Securities Sub-Account with a CDP Depository Agent/*CPF investment account with a CPF agent bank specified below and to deliver the share certificates relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP/CPF (the "**CDP charges**") and any stamp duties in respect thereof:-

*(a) Direct Securities Account Number : _____

*(b) Securities Sub-Account Number : _____

Name of CDP Depository Agent : _____

*(c) CPF Investment Account Number : _____

Name of CPF agent bank : _____

I enclose a *cheque/cashier's order/bank draft/postal order no. [■] for S\$[■] in payment for the subscription of S\$[■] for the total number of [■] Shares and the CDP charges of S\$[■].

I agree to subscribe for the Shares subject to the terms of the Letter of Offer, the Chuan Hup Holdings Employee Share Option Scheme (as the same may be amended pursuant to the terms thereof from time to time) and the Constitution of the Company.

I declare that I am subscribing for the Shares for myself and not as a nominee for any other person.

**Delete where inapplicable*

NOTICE OF EXTRAORDINARY GENERAL MEETING

CHUAN HUP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No. 197000572R)

All capitalised terms used in this Notice of EGM which are not defined herein shall have the same meaning ascribed to them in the Circular to Shareholders dated 6 October 2020.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of **CHUAN HUP HOLDINGS LIMITED** (the “**Company**”) will be convened and held by way of electronic means (see Notes 1 to 8) on Thursday, 29 October 2020 at 11.00 a.m., (or immediately after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.30 a.m. on the same day for the purpose of considering, and if thought fit, passing with or without modification(s), the following resolutions:

RESOLUTION 1:

ORDINARY RESOLUTION – PROPOSED ADOPTION OF THE CHH ESOS

THAT:

- (a) a share option scheme to be known as the Chuan Hup Holdings Employee Share Option Scheme (the “**CHH ESOS**”), the rules of which have been submitted to the meeting and are set out in **Appendix** of the Circular to shareholders dated 6 October 2020, be and is hereby approved; and
- (b) the Directors of the Company be and are hereby authorised:
 - (i) to establish and administer the CHH ESOS;
 - (ii) to modify and/or alter the CHH ESOS from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the CHH ESOS and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the CHH ESOS; and
 - (iii) to allot, issue and/or deliver from time to time such number of fully paid-up Shares as may be required to be allotted, issued and/or delivered pursuant to the exercise of the Options under the CHH ESOS, provided that the aggregate number of Shares available under the CHH ESOS, when added to all Shares, options or awards granted under any other share option scheme, share award scheme or share incentive scheme of the Company then in force, shall not exceed fifteen per cent. (15%) of the total issued share capital (excluding Treasury Shares and subsidiary holdings) of the Company from time to time; and
 - (iv) to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution 1.

RESOLUTION 2:

ORDINARY RESOLUTION – PROPOSED GRANT OF OPTIONS UNDER THE CHH ESOS AT A DISCOUNT

THAT:

Subject to and contingent upon Resolution 1 being passed, approval be and is hereby given for the offer and grant of Options in accordance with the rules of the CHH ESOS with exercise prices set at a discount not exceeding twenty per cent. (20%) to the Market Price, as determined by the Option Committee authorised and appointed to administer the CHH ESOS, provided that such discount does not exceed the relevant limits as may be set by the SGX-ST from time to time.

By Order of the Board

Valerie Tan May Wei

Company Secretary

6 October 2020

Notes:

1. This EGM is being convened and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of EGM will not be sent to members. Instead, this Notice of EGM will be sent to members by electronic means via publication on the Company's website at <http://www.chuanhup.com.sg/agmegm.html> and the SGXNet.
2. The proceedings of this EGM will be broadcasted "live" through live audio-visual webcast or live audio-only stream. Members and investors holding Shares through the Central Provident Fund ("CPF") or Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors") who wish to follow the proceedings must pre-register at <http://www.chuanhup.com.sg/agmegm.html> no later than 11.00 a.m. on 26 October 2020. Following verification, an email containing instructions on how to join the "live" broadcast will be sent to authenticated persons by 28 October 2020.

Investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("Investors") (other than CPF/SRS investors) will not be able to pre-register at <http://www.chuanhup.com.sg/agmegm.html> for the "live" broadcast of the EGM. An Investor (other than CPF/SRS investors) who wish to participate in the "live" broadcast of the EGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company's Share Registrar, Tricor Barbinder Share Registration Services, via email to sg.is.proxy@sg.tricorglobal.com no later than 11.00 a.m. on 26 October 2020.

3. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman of the EGM ("Chairman") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. The Chairman, as proxy, need not be a member of the Company.** The instrument for the appointment of proxy ("proxy form") may be accessed at the Company's website at <http://www.chuanhup.com.sg/agmegm.html> or the SGXNet. Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

4. The proxy form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wish to vote should instead approach his/her/its relevant intermediary as soon as possible to specify his/her/its voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 11.00 a.m. on 20 October 2020, being 7 working days before the date of the EGM to submit his/her voting instructions.
5. **The proxy form must be submitted to the Company in the following manner:**
- (a) if submitted by post, be lodged with the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road #02-00 Singapore 068898, or
 - (b) if submitted electronically, be submitted via email to sg.is.proxy@sg.tricorglobal.com.

in either case, by **11.00 a.m. on 26 October 2020, being 72 hours before the time appointed for holding this EGM.**

A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

6. In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any proxy form submitted if such members are not shown to have Shares entered against their names in the Depository Register (as defined in Part IIIAA of the Securities and Futures Act, Chapter 289 of Singapore), as at 72 hours before the time appointed for holding this EGM as certified by The Central Depository (Pte) Limited to the Company.
7. **Members and Investors will not be able to ask questions "live" during the broadcast of this EGM. All members and Investors may submit questions relating to the business of this EGM by 11.00 a.m. on 26 October 2020:**
- (a) via the pre-registration website at <http://www.chuanhup.com.sg/agmegm.html>;
 - (b) by email to sg.is.proxy@sg.tricorglobal.com; and/or
 - (c) by post to the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road #02-00 Singapore 068898.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, members and Investors are strongly encouraged to submit their questions via the pre-registration website or by email.

The Company will endeavour to address all substantial and relevant questions either prior to the EGM (via an announcement on SGXNet and the Company's website) or during the EGM.

8. All documents (including the Circular, proxy form and this Notice of EGM) or information relating to the business of this EGM have been, or will be, published on SGXNet and the Company's website at <http://www.chuanhup.com.sg/agmegm.html>. Printed copies of the documents will not be despatched to members. Members and Investors are advised to check SGXNet and/or the Company's website regularly for updates.
9. **Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes").

In the case of a member who is a relevant intermediary, by submitting the consolidated list of participants set out in Note 2 of this Notice of EGM, such member represents and warrants that it has obtained the prior consent of the individuals for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such individuals by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the participation of such individuals in the broadcast and proceedings of the EGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and record of questions asked, and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

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Extraordinary General Meeting Proxy Form

IMPORTANT

1. This EGM (as defined below) will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of EGM and this proxy form will not be sent to members. Instead, the Notice of EGM and this proxy form will be sent to members by electronic means via publication on the Company's website at <http://www.chuanhup.com.sg/agmegm.html> and the SGXNet.
2. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman (as defined below) in advance of the EGM, addressing of substantial and relevant questions at EGM and voting by appointing the Chairman as proxy at the EGM, are set out in Notice of EGM and the accompanying Company's announcement dated 6 October 2020. This announcement may be accessed at the Company's website at <http://www.chuanhup.com.sg/agmegm.html> and the SGXNet.
3. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. The Chairman, as proxy, need not be a member of the Company.**
4. This proxy form is not valid for use by investors holding shares in the Company ("Shares") through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)) ("Investors") (including investors holding through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS investor who wishes to vote should approach his/ her CPF Agent Bank or SRS Operator by 11.00 a.m. on 20 October 2020, being 7 working days before the date of the EGM to submit his/her voting instructions.
5. **Personal Data Privacy:** By submitting this proxy form, a member of the Company accepts and agrees to the personal data terms set out in the Notice of EGM dated 6 October 2020.
6. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman as a member's proxy to attend, speak and vote on his/her/its behalf at the EGM.**

I/We(Name)(NRIC/Passport No./Co.Reg.No.)

of (Address)

being a *member/members of Chuan Hup Holdings Limited (the "Company"), hereby appoint the **Chairman of the Extraordinary General Meeting** of the Company ("EGM"), as my/our* proxy to vote for me/us* on my/our* behalf at the EGM to be held by way of electronic means on 29 October 2020 at 11.00 a.m. (or as soon as practicable following the conclusion or adjournment of the annual general meeting of the Company convened on the same day) and at any adjournment thereof.

I/We* direct the Chairman of the EGM to vote for or against, or abstain from voting on the Ordinary Resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the appointment of the Chairman of the EGM as my/our* proxy will be treated as invalid.

ORDINARY RESOLUTION	No. of votes for**	No. of votes against**	No. of votes abstaining**
1. Proposed Adoption of the CHH ESOS			
2. Proposed Grant of Options under CHH ESOS at a Discount			

*Delete accordingly

**Please indicate the number of votes as appropriate. A tick (✓) or cross (X) will represent you are exercising all your votes "for" or "against" and/or "abstaining" in respect of all your Shares for the relevant resolution. Alternatively, if you wish the Chairman of the EGM as your proxy to exercise some and not all of your votes for or against and/or abstain from voting for the Resolution and/or if you wish the Chairman of the EGM as your proxy to abstain from voting in respect of the Resolution, please indicate the number of votes "for", the number "against" and/or the number "abstaining" in the boxes provided for the relevant resolution. In the absence of specific directions, the appointment of the Chairman of the EGM as your proxy will be treated as invalid.

Dated this _____ day of _____ 2020

Total Number of Shares held in:	
CDP Register	
Register of Members	

*Signature(s) or Common Seal of Member(s)

Notes:

1. A member should insert the total number of Shares held in the proxy form. If a member only has Shares entered against his/her/its name in the Depository Register (as defined in Part IIIA of the Securities and Futures Act, Chapter 289 of Singapore), he/she/it should insert that number of Shares. If he/she/it only has Shares registered in his/her/its name in the Register of Members, he/she/it should insert that number of Shares. However, if he/she/it has Shares entered against his/her/its name in the Depository Register and Shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of Shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, the proxy form shall be deemed to relate to all the Shares held by the member (in both the Register of Members and the Depository Register).
2. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. The Chairman, as proxy, need not be a member of the Company.** Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

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3. This proxy form is not valid for use by Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 11.00 a.m. on 20 October 2020, being 7 working days before the date of the EGM to submit his/her voting instructions.
4. The proxy form must be submitted with the Company in the following manner: (a) if submitted by post, be lodged with the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road #02-00 Singapore 068898; or (b) if submitted electronically, be submitted via email to sg.is.proxy@sg.tricorglobal.com, in either case, by 11.00 a.m. on 26 October 2020, being 72 hours before the time appointed for holding this EGM. A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.
5. The proxy form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where a proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.
6. The Company shall be entitled to reject the proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company shall be entitled to reject any proxy form lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.
7. Any reference to a time of day is made by reference to Singapore time.

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Please Affix
Postage Stamp

The Company Secretary
CHUAN HUP HOLDINGS LIMITED
c/o Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road
#02-00 Singapore 068898

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