

CIRCULAR DATED 8 APRIL 2024

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, tax adviser or other professional adviser immediately.

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

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



STRACO CORPORATION LIMITED

(Incorporated In the Republic of Singapore)
(Company Registration Number: 200203482R)

CIRCULAR TO SHAREHOLDERS IN RELATION TO:-

- (1) THE PROPOSED ADOPTION OF THE STRACO SHARE OPTION SCHEME 2024 (THE “OPTION SCHEME”);**
- (2) THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS AT A DISCOUNT UNDER THE OPTION SCHEME;**
- (3) THE PROPOSED PARTICIPATION OF CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES IN THE OPTION SCHEME; AND**
- (4) THE PROPOSED GRANT OF OPTIONS UNDER THE OPTION SCHEME TO:-**
 - (I) MR WU HSIOH KWANG, A CONTROLLING SHAREHOLDER;**
 - (II) MDM CHUA SOH HAR, A CONTROLLING SHAREHOLDER;**
 - (III) MS WU XIUYI, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER; AND**
 - (IV) MR WU XIUZHUAN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER.**

IMPORTANT DATES AND TIMES:-

Last date and time for lodgement of Proxy Form : 26 April 2024 at 10.30 a.m.

Date and time of Extraordinary General Meeting : 29 April 2024 at 10.30 a.m. (or immediately after the conclusion of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place)

Place of Extraordinary General Meeting : 30 Raffles Avenue, #03-01 Singapore Flyer, Singapore 039803

CONTENTS

	Page
DEFINITIONS	3
LETTER TO SHAREHOLDERS.....	7
1. INTRODUCTION	7
2. THE OPTION SCHEME.....	9
3. THE AUTHORITY TO GRANT OPTIONS AT A DISCOUNT	14
4. PARTICIPATION OF, AND GRANT OF OPTIONS TO NON-EXECUTIVE DIRECTORS.....	15
5. PARTICIPATION BY CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES IN THE OPTION SCHEME	16
6. PROPOSED GRANT OF OPTIONS TO THE CONTROLLING SHAREHOLDERS, MR WU HSIOH KWANG AND MDM CHUA SOH HAR, AND THEIR ASSOCIATES, MS WU XIUYI AND MR WU XIUZHUAN	18
7. FINANCIAL EFFECTS OF THE OPTION SCHEME.....	24
8. THE 2014 SCHEME	24
9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS.....	26
10. EXTRAORDINARY GENERAL MEETING	26
11. DIRECTORS' RECOMMENDATION	26
12. ACTION TO BE TAKEN BY SHAREHOLDERS	27
13. DIRECTORS' RESPONSIBILITY STATEMENT.....	28
14. DOCUMENTS FOR INSPECTION.....	28
APPENDIX A – RULES OF THE STRACO SHARE OPTION SCHEME 2024.....	29
APPENDIX A1 – LETTER OF OFFER	45
APPENDIX A2 – ACCEPTANCE FORM.....	46
APPENDIX A3 – EXERCISE NOTICE	48
APPENDIX B – DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY ..	50
APPENDIX C – EXTRACTS FROM THE RULES OF THE 2014 SCHEME.....	51
NOTICE OF EXTRAORDINARY GENERAL MEETING	55
PROXY FORM	

DEFINITIONS

The following definitions shall apply throughout unless the context requires otherwise or unless otherwise stated in this Circular:-

- “Act”** : The Companies Act 1967 of Singapore, as may be amended or modified from time to time
- “Annual General Meeting”** : The annual general meeting of the Company to be held at 30 Raffles Avenue, #03-01 Singapore Flyer, Singapore 039803 on 29 April 2024 at 10.00 a.m.
- “Associate”** : (a) In relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means:-
- (i) his Immediate Family;
 - (ii) the trustee of any trust of which he or his Immediate Family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a substantial shareholder or 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 30% or more
- “Board”** : The board of directors of the Company
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 8 April 2024 in relation to the Option Scheme
- “Committee”** : A committee comprising Directors who are duly authorised and appointed by the Board to administer the Option Scheme, pursuant to Rule 16 of the Option Scheme
- “Company”** : Straco Corporation Limited
- “Constitution”** : The constitution of the Company, as amended or modified from time to time.
- “Control”** : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the company being controlled

DEFINITIONS

“Controlling Shareholder”	:	A person who:- (a) holds directly or indirectly 15% or more of the total voting rights in the Company (unless the SGX-ST determines that such person is not a controlling shareholder); or (b) in fact exercises Control over the Company
“CPF”	:	Central Provident Fund
“CPF Approved Nominees”	:	Agent banks included under the CPFIS
“CPFIS”	:	Central Provident Fund Investment Scheme
“Date of Grant”	:	The date on which an Option is granted to a Participant pursuant to Rule 7 of the Option Scheme
“Director”	:	A person appointed as a director, including an Independent Director
“EGM”	:	The extraordinary general meeting of the Company, notice of which is set out on page 55 of this Circular
“EPS”	:	Earnings per Share
“Executive Director”	:	A director of any member of the Group, who performs an executive function
“Exercise Period”	:	The period during which an Option is exercisable pursuant to Rule 11
“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 9 of the Option Scheme, or such adjusted price as may be applicable pursuant to Rule 10 of the Option Scheme
“FY”	:	Financial year ended or, as the case may be, ending, 31 December
“Grantee”	:	A person to whom an offer of an Option is made
“Group”	:	The Company and its subsidiaries
“Immediate Family”	:	In relation to a person, the person’s spouse, child, adopted child, step-child, sibling and parent
“Independent Director”	:	An independent director of the Company
“Latest Practicable Date”	:	25 March 2024, 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 or modified from time to time

DEFINITIONS

“Market Day”	:	A day on which the SGX-ST is open for securities trading
“Market Price”	:	The average of the last dealt prices 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 Date of Grant, provided always that in the case of a Market Day on which the Shares of the Company were not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
“New Shares”	:	The new Shares which may be allotted and issued from time to time pursuant to the exercise of Options under the Option Scheme
“Non-Executive Director”	:	A director of any member of the Group, other than an Executive Director but including the Independent Directors
“Notice of EGM”	:	The notice of EGM as set out on page 55 of this Circular
“NTA”	:	Net tangible assets
“Option”	:	The right to subscribe for Shares granted or to be granted to a Participant pursuant to the Option Scheme
“Option Holder”	:	The holder of an Option
“Option Scheme”	:	The proposed Straco Share Option Scheme 2024, as may be amended or modified from time to time
“Option Shares”	:	Shares obtained pursuant to an exercise of the Options
“Ordinary Resolutions”	:	The ordinary resolutions set out in the Notice of EGM
“Participant”	:	Any director (including a Non-Executive Director) or confirmed employee of the Group selected by the Committee to participate in the Option Scheme in accordance with Rule 4 of the Option Scheme
“Rules”	:	Rules of the Option Scheme
“Securities Account”	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares and where the context admits, means the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares

DEFINITIONS

- “**Shares**” : Ordinary shares in the capital of the Company
- “**S\$**” and “**cents**” : Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
- “**%**” or “**per cent.**” : Percentage or per centum

The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore.

The term “**Treasury Shares**” shall have the meaning ascribed to it in Section 4 of the Act.

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Act.

Words denoting the singular shall, where applicable, include the plural and *vice versa* and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

References to persons shall, where applicable, include corporations.

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

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

Any discrepancies in figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

STRACO CORPORATION LIMITED

(Incorporated In the Republic of Singapore)
(Company Registration Number: 200203482R)

Directors:

Mr Wu Hsioh Kwang (*Executive Chairman*)
Mr Li Weiqiang (*Non-Executive Director*)
Mdm Chua Soh Har (*Non-Executive Director*)
Mr Tay Siew Choon (*Lead Independent Director*)
Mr Lim Song Joo (*Independent Director*)
Mr Hee Theng Fong (*Independent Director*)
Mr Teo Ser Luck (*Independent Director*)
Ms Wu Xiuyi (*Alternate Director to Mr Wu Hsioh Kwang*)
Mr Wu Xiuzhuan (*Alternate Director to Mdm Chua Soh Har*)

Registered Office:

10 Anson Road
#30-15 International Plaza
Singapore 079903

8 April 2024

To: The Shareholders of Straco Corporation Limited

Dear Sir/Madam

- (1) THE PROPOSED ADOPTION OF THE STRACO SHARE OPTION SCHEME 2024 (THE “OPTION SCHEME”);**
- (2) THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS AT A DISCOUNT UNDER THE OPTION SCHEME;**
- (3) THE PROPOSED PARTICIPATION OF CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES IN THE OPTION SCHEME; AND**
- (4) THE PROPOSED GRANT OF OPTIONS UNDER THE OPTION SCHEME TO:-**
 - (I) MR WU HSIOSH KWANG, A CONTROLLING SHAREHOLDER;**
 - (II) MDM CHUA SOH HAR, A CONTROLLING SHAREHOLDER;**
 - (III) MS WU XIUYI, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER; AND**
 - (IV) MR WU XIUZHUAN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER.**

1. INTRODUCTION

1.1 EGM

The Directors are convening the EGM to be held at 30 Raffles Avenue, #03-01 Singapore Flyer, Singapore 039803 on 29 April 2024 at 10.30 a.m. (or immediately after the conclusion of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) to seek the approval of Shareholders for the following matters:-

- (a) the proposed adoption of the Option Scheme, the Rules of which are set out in **Appendix A** of this Circular (*Ordinary Resolution 1*);

LETTER TO SHAREHOLDERS

- (b) the proposed grant of authority to offer and grant Options at a discount under the Option Scheme (*Ordinary Resolution 2*);
- (c) the proposed participation of Controlling Shareholders and their Associates in the Option Scheme, namely:
 - (i) Mr Wu Hsioh Kwang, a Controlling Shareholder (*Ordinary Resolution 3*);
 - (ii) Mdm Chua Soh Har, a Controlling Shareholder (*Ordinary Resolution 4*);
 - (iii) Ms Wu Xiuyi, an Associate of a Controlling Shareholder (*Ordinary Resolution 5*); and
 - (iv) Mr Wu Xiuzhuan, an Associate of a Controlling Shareholder (*Ordinary Resolution 6*); and
- (d) the proposed grant of Options under the Option Scheme to:-
 - (i) Mr Wu Hsioh Kwang, a Controlling Shareholder (*Ordinary Resolution 7*);
 - (ii) Mdm Chua Soh Har, a Controlling Shareholder (*Ordinary Resolution 8*);
 - (iii) Ms Wu Xiuyi, an Associate of a Controlling Shareholder (*Ordinary Resolution 9*); and
 - (iv) Mr Wu Xiuzhuan, an Associate of a Controlling Shareholder (*Ordinary Resolution 10*).

(collectively, the “**Proposals**”).

As certain Proposals will only be implementable where other Proposals are approved, Shareholders should note that:

- (A) Each of Ordinary Resolutions 2, 3, 4, 5 and 6 is conditional upon the passing of Ordinary Resolution 1. In the event that Ordinary Resolution 1 is not passed, all of Ordinary Resolutions 2, 3, 4, 5 and 6 will not be passed.
- (B) Ordinary Resolution 7 is conditional upon the passing of Ordinary Resolutions 1, 2 and 3. In the event that Ordinary Resolutions 1, 2 and 3 are not passed, Ordinary Resolution 7 will also not be passed.
- (C) Ordinary Resolution 8 is conditional upon the passing of Ordinary Resolutions 1, 2 and 4. In the event that Ordinary Resolutions 1, 2 and 4 are not passed, Ordinary Resolution 8 will also not be passed.
- (D) Ordinary Resolution 9 is conditional upon the passing of Ordinary Resolutions 1, 2 and 5. In the event that Ordinary Resolutions 1, 2 and 5 are not passed, Ordinary Resolution 9 will also not be passed.
- (E) Ordinary Resolution 10 is conditional upon the passing of Ordinary Resolutions 1, 2 and 6. In the event that Ordinary Resolutions 1, 2 and 6 are not passed, Ordinary Resolution 10 will also not be passed.
- (F) For the avoidance of doubt, Ordinary Resolution 1 is not conditional upon the passing of any other resolution.

The Company had a previous share option scheme known as the “Straco Share Option Scheme 2014” which was approved by shareholders at an extraordinary general meeting of the Company held on 29 April 2014 (the “**2014 Scheme**”). Details of the 2014 Scheme were set out in a circular dated

LETTER TO SHAREHOLDERS

11 April 2014. Given its 10-year duration, the 2014 Scheme will expire on 28 April 2024. In view that the said 2014 Scheme will soon expire, the Company wishes to adopt the Option Scheme (the details of which are set out in this Circular) upon approval of Shareholders being obtained at the EGM.

There are no material differences between the rules of the 2014 Scheme and the Rules of the proposed Option Scheme.

1.2 Circular

The purpose of this Circular is to provide Shareholders with the relevant information pertaining to, and to seek Shareholders' approval at the EGM for, the Proposals.

1.3 Treasury Shares

The Company intends to utilise Treasury Shares to satisfy the Shares to be granted pursuant to the exercise of the Options granted under the Option Scheme. Accordingly, the Company does not intend at the present juncture to issue New Shares in satisfaction of the Shares to be issued and allotted upon such exercise.

1.4 Legal Adviser

The Company has appointed Harry Elias Partnership LLP as the legal adviser to the Company in relation to the Proposals.

2. THE OPTION SCHEME

2.1 Rationale for the Option Scheme

Upon the expiry of the 2014 Scheme on 28 April 2024, the Company would not have any other share-based incentives in place. However, the Company recognises the importance of acknowledging contributions made by employees and Directors to the success and development of the Group. The Option Scheme is therefore proposed to provide an opportunity for employees of the Group who have contributed significantly to the growth and performance of the Group, as well as Directors who satisfy the eligibility criteria as set out in Rule 4 of the Option Scheme, to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to past contributions and services. Additionally, the Option Scheme will help the Group to attract and retain the services of appropriate, qualified and experienced employees who would be able to contribute to the Group's business and operations.

The Option Scheme is primarily a share option scheme. It recognises the fact that the services of employees and Directors are important to the success and continued well-being of the Group. At the same time, it will give such employees and Directors an opportunity to obtain a direct interest in the Company and will help to achieve the following positive objectives:-

- (a) to motivate Participants to optimise their performance standards and efficiency, and to maintain a high level of contribution to the Group;
- (b) to retain employees and Non-Executive Directors whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instill loyalty to, and reinforce a stronger identification by Participants with the long-term prosperity of the Group;

LETTER TO SHAREHOLDERS

- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for Shareholders;
- (e) to align the interests of Participants with the interests of Shareholders; and
- (f) to give recognition to the contributions made or to be made by employees and Non-Executive Directors to the success of the Group.

2.2 Summary of the Rules of the Option Scheme

The Rules of the Option Scheme are set out in **Appendix A** to this Circular.

A summary of the Rules are as follows:-

2.2.1 Eligibility

Subject to the absolute discretion of the Committee, Participants who have attained the age of 21 years on or prior to the relevant Date of Grant, are not undischarged bankrupts, have not entered into a composition with their respective creditors, and, where applicable, who have, as of the Date of Grant, been in the employment of the Group for a period of at least 12 months, or such shorter period as the Committee may determine, and Non-Executive Directors who, in the opinion of the Committee, have contributed or will contribute to the success of the Group, shall be eligible to participate in the Option Scheme.

Persons who qualify under the paragraph above and who are also the Company's Controlling Shareholders and their Associates can only participate in the Option Scheme if their participation is approved by independent Shareholders in separate resolutions for each such person and for each such grant (such resolutions disclosing the specific number and terms of each such grant of Option).

2.2.2 Entitlements

The number of Shares comprised in Options offered to a Participant shall be determined at the absolute discretion of the Committee who shall take into account, where applicable, criteria such as rank, past performance, years of service and potential contribution of the Participant.

2.2.3 Size of the Option Scheme

The aggregate number of Shares (comprising New Shares issued and issuable in respect of the Options granted under the Option Scheme and/or Treasury Shares transferred and transferable in respect of the Options) over which the Committee may offer to grant Options on any date, when added to:-

- (a) the aggregate number of New Shares issued and issuable in respect of all other share-based incentive schemes of the Company (if any); and
- (b) the number of Treasury Shares transferred and transferable in respect of the options granted under all other share-based incentive schemes of the Company (if any),

shall not exceed 15% of the total issued Shares (excluding Treasury Shares and subsidiary holdings if any) of the Company on the date immediately preceding the Date of Grant.

LETTER TO SHAREHOLDERS

The aggregate number of Shares over which the Committee may offer to grant Options to the Controlling Shareholders and their Associates under the Option Scheme, shall not exceed 25% of the Shares available under the Option Scheme, Provided Always that the number of Shares available to each Controlling Shareholder or each of his Associates shall not exceed 10% of the Shares available under the Option Scheme.

The aggregate number of Shares available to directors and employees of the Company's subsidiaries shall not exceed 20% of the Shares available under the Option Scheme. Further, if any Options are granted to a director or employee of the Company's subsidiaries that, together with Options already granted to the person under the Option Scheme, would represent 5% or more of the total number of Options available to such directors and employees, independent shareholders' prior approval will be sought in separate resolutions for each such person as well as to approve the aggregate number of Options to be made available for grant to all directors and employees of the Company's subsidiaries.

2.2.4 Date of Grant

The Committee may offer to grant Options in its absolute discretion at any time during the period when the Option Scheme is in force, except that no offer to grant Options shall be made during the period of 1 month immediately preceding the date of announcement of the Company's half-year or full-year financial results (as the case may be).

In addition, in the event that an announcement of any matter of an exceptional nature involving unpublished price sensitive information is made, the Committee may offer to grant Options on or after the second Market Day after such announcement has been released.

2.2.5 Acceptance of Offer

The grant of an Option must be accepted not later than 5.00 p.m. on the thirtieth (30th) day from such Date of Grant. The Grantee must complete, sign and return to the Company the acceptance form accompanied by payment of S\$1 as consideration or such other amount and such other documentation as the Committee may require.

2.2.6 Exercise Price

Subject to any adjustment pursuant to Rule 10 of the Option Scheme, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and fixed by the 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 Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20% of the Market Price. In the event that SGX-ST prescribes or permits a higher percentage of discount, the Company will seek Shareholders' approval for the increase in discount at a general meeting.

Upon the exercise of an Option, the Company may either allot and issue New Shares or transfer Treasury Shares to the Option Holder in accordance with Rule 12 of the Option Scheme.

LETTER TO SHAREHOLDERS

2.2.7 Alteration of Capital

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

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

may, at the discretion of the Committee, be adjusted in such manner as the Committee may determine to be appropriate and except in relation to a bonus issue, upon the written confirmation of the auditors of the Company (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

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

The issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Listing Manual, undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment under the provisions of Rule 10 of the Option Scheme.

Upon any adjustment required to be made, the Company shall notify each Option Holder (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the number of Shares thereafter comprised in the Option so far as unexercised.

2.2.8 Exercise Period

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 1,000 Shares or any multiple thereof), at any time, by:

- (a) an Option Holder, who is an employee or Executive Director, during the Exercise Period which shall commence after the first anniversary of the Date of Grant of the Options and expiring on the tenth anniversary of such Date of Grant (or such earlier date as may be determined by the Committee); and
- (b) an Option Holder, who is a Non-Executive Director, during the Exercise Period which shall commence after the first anniversary of the Date of Grant of the Options and expiring on the fifth anniversary of such Date of Grant (or such earlier date as may be determined by the Committee),

LETTER TO SHAREHOLDERS

failing which all unexercised Options shall immediately lapse and become null and void and the Option Holder shall have no claim against the Company.

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 1,000 Shares or any multiple thereof), at any time, by:

- (a) an Option Holder, who is an employee or Executive Director, during the Exercise Period which shall commence after the second anniversary of the Date of Grant of the Options and expiring on the tenth anniversary of such Date of Grant (or such earlier date as may be determined by the Committee); and
- (b) an Option Holder, who is a Non-Executive Director, during the Exercise Period which shall commence after the second anniversary of the Date of Grant of the Options and expiring on the fifth anniversary of such Date of Grant (or such earlier date as may be determined by the Committee),

failing which all unexercised Options shall immediately lapse and become null and void and the Option Holder shall have no claim against the Company.

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

- (a) subject to Rule 11 of the Option Scheme, upon the Option Holder ceasing to be in the employment of the Group or a Non-Executive Director for any reason whatsoever;
- (b) upon the bankruptcy of the Option Holder or the happening of any other event which result 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 Option Holder, as determined by the Committee in its absolute discretion.

If an Option Holder ceases to be employed by the Group or a Non-Executive Director by reason of his ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee, redundancy, retirement at or after a normal retirement age or retirement before that age with the consent of the Committee, or for any other reason approved in writing by the Committee, he may, at the absolute discretion of the Committee, exercise any unexercised Options within the relevant Exercise Period or such other shorter period as the Committee may decide and upon the expiry of such period, the Options remaining unexercised shall immediately lapse and become null and void.

If an Option Holder ceases to be employed by a subsidiary or a Non-Executive Director by reason of the subsidiary by which he is principally employed, ceasing to be a company within the Group, the undertaking or part of the undertaking of such subsidiary, being transferred otherwise than to another company within the Group, or for any other reason, provided the Committee gives its consent in writing, he may, at the absolute discretion of the Committee, exercise any unexercised Options within the relevant Exercise Period and upon the expiry of such period, the Options remaining unexercised shall immediately lapse and become null and void.

LETTER TO SHAREHOLDERS

If an Option Holder dies and at the date of his death holds any unexercised Options, such Option may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representative(s) of the Option Holder within the relevant Exercise Period and upon the expiry of such period, the Options remaining unexercised shall immediately lapse and become null and void.

2.2.9 Duration of the Option Scheme

The Option Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years, commencing on the date on which the Option Scheme is approved by Shareholders at a general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the Option Scheme may be continued beyond the above stipulated period with the approval of Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

2.2.10 Administration of the Option Scheme

The Option Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board.

A Director who is a member of the Committee shall not be involved in the deliberation in respect of Options to be granted to him.

2.2.11 Voting, dividend and other rights

Shares allotted and issued or Treasury Shares which are transferred, upon the exercise of an Option, shall be subject to all provisions of the Constitution of the Company and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights (including voting rights), allotments or other distributions, the record date for which falls prior to the date of issue or transfer (as the case may be) of the said Shares.

3. THE AUTHORITY TO GRANT OPTIONS AT A DISCOUNT

In accordance with Rule 845(5) of the Listing Manual and Rule 9.1 of the Option Scheme, the making of offers and grants of Options under the Option Scheme at a discount not exceeding the maximum discount of 20% of the Market Price is subject to the approval of Shareholders at a general meeting. For the avoidance of doubt, such prior approval shall be required to be obtained only once, and once obtained, shall, unless revoked, authorise the making of offers and grants of Options under the Option Scheme at such discount for the duration of the Option Scheme.

Under the Option Scheme, the Exercise Price of Options granted shall be determined by the Committee at its absolute discretion. The Committee has the discretion to grant Options with an Exercise Price set at a discount to the Market Price on a case by case basis, taking into consideration, including but not limited to, the criteria set out under Rule 9.2 of the Option Scheme. In the event that Options are granted at a discount, the discount shall not exceed 20% of the Market Price.

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. The Company may utilise the Options as a means to reward Participants for their outstanding performance and to motivate them to continue to excel, as well as attract new talent for the Company. Being able to grant Options at a discount allows the

LETTER TO SHAREHOLDERS

Company to acknowledge a Participant's contributions where such means is more meaningful than just 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. This serves as an additional method available to the Company for compensating employees rather than merely through salaries, salary increments and cash bonuses as it enables the Company to introduce an effective manner of motivating Participants to maximise their performance, which will in turn create better value for the Shareholders.

Further, because Options granted with a discount under the Option Scheme are subject to a longer vesting period (2 years) than those granted at the Market Price (1 year), holders of such Options are encouraged to have a long-term view of the Group, thereby promoting staff and employee retention and reinforcing their commitment to the Group.

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

4. PARTICIPATION OF, AND GRANT OF OPTIONS TO NON-EXECUTIVE DIRECTORS

It is proposed that the Option Scheme be extended to Non-Executive Directors.

Non-Executive Directors, although not involved in the day-to-day running of the Group's business, work closely with the Company and the Group, and are in a position to provide valuable input and contribute their experiences, knowledge and expertise to the success of the Group. As such, the Company believes that it is desirable that participation in the Option Scheme be extended to the Non-Executive Directors.

The Non-Executive Directors receive nominal directors' fees for their contributions and services. Other than directors' fees, the Non-Executive Directors receive no additional remuneration or compensation. As such, the Board proposes to allow such Non-Executive Directors to participate in the Option Scheme in order to acknowledge and give recognition to their valuable services and contributions, as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment. For example, a particular Non-Executive Director may contribute more than just by fulfilling his duties as a Non-Executive Director. He may bring strategic and other value to the Company, which may be difficult to quantify in monetary terms. The grant of Options to Non-Executive Directors will allow the Company to attract and retain experienced and qualified persons from different professional backgrounds to join the Company and/or the Group as Non-Executive Directors, and to motivate existing Non-Executive Directors to take extra efforts to promote the interests of the Company and the Group.

At the same time however, the Board recognises that the services and contributions of the Non-Executive Directors cannot be measured in the same way as those full-time employees of the Group. Hence, any Options that may be offered and granted to any Non-Executive Director would be intended only as a token of the Company's appreciation. In addition, the Company is mindful of ensuring that the granting of Options to independent Non-Executive Directors does not compromise their independent status.

In deciding whether to grant Options to the Non-Executive Directors, the Committee will take into consideration, among other things, the services and contributions made to the growth of the Group, attendance and participation in meetings and the years of service of a particular Non-Executive Director. The Committee may also, where it considers relevant, take into account other factors such as the economic conditions and the Company's performance. Non-Executive Directors may be

LETTER TO SHAREHOLDERS

appointed as members of the Committee. However, the Rules of the Option Scheme provide that no member of the Committee shall be involved in any deliberation in respect of Options to be granted to him.

5. PARTICIPATION BY CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES IN THE OPTION SCHEME

5.1 Rationale for participation of Controlling Shareholders

Under the Option Scheme, Directors of the Company and/or its subsidiaries who perform an executive function and Non-Executive Directors (including Independent Directors) are eligible to participate in the Option Scheme. As such, the Option Scheme recognizes contributions made by persons who are in the employment of the Group as well as Non-Executive Directors, who are not employed by the Group but nevertheless work closely with the Group and/or are in the position to contribute their experience, knowledge and expertise to the development and success of the Group.

As the purpose of the Option Scheme is to motivate key executives to optimise their performance standards and efficiency and to reward them for their significant contributions with participation in the equity of the Company, it is the intention of the Company that employees who are Controlling Shareholders should be treated equally and should not be precluded from being remunerated for their contributions to the Group on the same basis as other employees who are not Controlling Shareholders.

Although the Controlling Shareholders already have shareholding interests in the Company, the extension of the Option Scheme to allow Executive Directors who are also Controlling Shareholders to participate in the Option Scheme will ensure that they are equally entitled with the other employees who are not Controlling Shareholders, to take part and benefit from the system of remuneration. The Option Scheme is intended to be part of a system of remuneration for employees and the Company is of the view that employees who are Controlling Shareholders should not be unduly discriminated against by virtue only of them being Controlling Shareholders and their shareholding in the Company. The Company is also of the view that the extension of the Option Scheme to employees who are also Controlling Shareholders will enhance the long-term commitment of such employees to the Company.

The Directors believe that the grant of Options to Executive Directors who are also Controlling Shareholders will act as an additional incentive to improve their performance. In addition, it is in the best interests of the Company as it gives recognition to their services and contributions and to further align their interests with that of the Group.

5.2 Rationale for participation of Associates of Controlling Shareholders

It is the intention of the Company that employees who are Associates of Controlling Shareholders should be remunerated for their contributions to the Group on the same basis as other employees who are not Associates of Controlling Shareholders. The extension of the Option Scheme to the Associates of Controlling Shareholders will ensure that they are equally entitled, with the other employees who are not Associates of Controlling Shareholders, to take part and benefit from the system of remuneration. The Option Scheme is intended to be part of a system of remuneration for employees and the Company is of the view that employees who are Associates of Controlling Shareholders should not be unduly discriminated against by virtue only of them being Associates of Controlling Shareholders, and their shareholding in the Company. The Company is also of the view that the extension of the Option Scheme to Associates of Controlling Shareholders will enhance the long-term commitment of Associates of Controlling Shareholders to the Company.

LETTER TO SHAREHOLDERS

The Directors believe that the grant of Options to Associates of Controlling Shareholders will act as an additional incentive for the Associates of Controlling Shareholders who are employees of the Group to improve their performance.

The Directors are of the view that the participation in the Option Scheme by the Associates of Controlling Shareholders is in the best interests of the Company as such Associates of Controlling Shareholders are able to use their extensive and in-depth experience to enhance and influence decisions made by the Company and thus stand in a unique position to contribute to the growth and prosperity of the Group.

An employee who is an Associate of a Controlling Shareholder shall be eligible to participate in the Option Scheme if (a) his/her participation in the Option Scheme; and (b) the actual number and terms of the Options to be granted to him/her has been approved by independent Shareholders of the Company in separate resolutions for each such person. The relevant employee is required to abstain from voting on, and (in the case of employees who are Directors) refrain from making any recommendation on the resolutions in relation to the Option Scheme.

5.3 Safeguard

As a safeguard against abuse, all members of the Board who are not Controlling Shareholders or Associates of Controlling Shareholders (and not just members of the Committee) will be involved in deliberations in respect of Options to be granted to Controlling Shareholders and their Associates and the terms and conditions attached to such Options.

The limits on the aggregate number of Shares comprised in Options that may be granted to Controlling Shareholders and/or their Associates shall not exceed 25% of the Shares available under the Option Scheme, Provided Always that the number of Shares available to each Controlling Shareholder or each of his Associates shall not exceed 10% of the Shares available under the Option Scheme.

Specific approval of the independent Shareholders is required for the grant of Options to Controlling Shareholders and their Associates as well as the actual number of and terms of such Options. In seeking such independent Shareholders' approval, clear justification as to their participation, the number of Options and the terms of Options to be granted to the Controlling Shareholders and their Associates will need to be provided.

The Company is of the view that there are sufficient safeguards against abuse resulting from the participation of Controlling Shareholders and their Associates in the Option Scheme.

On any grant of Options to Controlling Shareholders and their Associates, the Company will make an announcement in accordance with Rule 704(29) of the Listing Manual.

5.4 Controlling Shareholders and their Associates

Under the Listing Manual, the specific grant of Options to Controlling Shareholders and their Associates will have to be approved by the independent Shareholders of the Company at a general meeting.

It is proposed that the following persons be entitled to participate in the Option Scheme:-

- (a) Mr Wu Hsioh Kwang (Chief Executive Officer and Executive Chairman, and a Controlling Shareholder of the Company);

LETTER TO SHAREHOLDERS

- (b) Mdm Chua Soh Har (Non-Executive Director and a Controlling Shareholder of the Company; she is also an Associate of Mr Wu Hsioh Kwang, a Controlling Shareholder),
- (c) Ms Wu Xiuyi (an Associate of Mr Wu Hsioh Kwang, a Controlling Shareholder); and
- (d) Mr Wu Xiuzhuan (an Associate of Mr Wu Hsioh Kwang, a Controlling Shareholder).

The shareholding interests of Mr Wu Hsioh Kwang and Mdm Chua Soh Har in the issued share capital of the Company as at the Latest Practicable Date are set out in **Appendix B** of this Circular.

6. PROPOSED GRANT OF OPTIONS TO THE CONTROLLING SHAREHOLDERS, MR WU HSIOH KWANG AND MDM CHUA SOH HAR, AND THEIR ASSOCIATES, MS WU XIUYI AND MR WU XIUZHUAN

6.1 Proposed grant of Options to Mr Wu Hsioh Kwang

Subject to the approval of the Shareholders, the Company is proposing to grant Options to Mr Wu Hsioh Kwang on the following terms:-

- (a) Proposed Date of Grant of Options : Within one month after the date of the EGM
- (b) Number of Shares comprised in the proposed Options : 300,000 Shares (representing approximately 0.035% of the total issued Shares excluding Treasury Shares as at the Latest Practicable Date)
- (c) Exercise Price per Share : Market Price
- (d) Exercise Period : Exercisable at any time after the first anniversary of the Date of Grant and up to the fifth anniversary of the Date of Grant

As at the Latest Practicable Date, Mr Wu Hsioh Kwang has a direct interest in 8,888,000 Shares, deemed interest in 470,679,980 Shares, amounting in aggregate to 479,567,980 Shares, or 56.06% in the issued share capital of the Company. This is set out in **Appendix B** of this Circular.

Rationale for grant of Options to Mr Wu Hsioh Kwang

Mr Wu Hsioh Kwang is the Chief Executive Officer and Executive Chairman of the Company. Mr Wu has been pivotal in determining the overall strategic directions and management of the Group. As the founder of the group companies, Mr Wu has been actively involved in the projects from their inception, and is responsible for their continual success. He has also formulated various corporate policies and has been instrumental in charting the growth of the business of the Group.

In recognition of Mr Wu's performance and contribution to the Group and to motivate him to maintain a high level of performance with a view to achieving long term growth for the Group and to further enhance value of the Company and its Shareholders, the Company is proposing to grant Options on the terms set out above to Mr Wu Hsioh Kwang.

The Committee when deciding on the number of Options proposed to be granted to Mr Wu takes into account the financial performance of the Group, the effectiveness of the overall strategy, his past and potential contributions as well as the prevailing remuneration package of Mr Wu. The Directors are of the view that Mr Wu's remuneration package (including the Options which are proposed to be

LETTER TO SHAREHOLDERS

granted) is fair given the substantial contribution he has made to the Group. His total remuneration (inclusive of benefits) for the financial year ended 31 December 2023 was S\$1,360,860 (including performance bonus paid or to be paid in March 2024).

For these reasons, the Directors are of the view that Mr Wu should be granted the Options on the terms as stated above. The grant of the Options on the terms as set out above (including the size of the Option) is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company.

Mr Wu Hsioh Kwang will abstain from voting as a member of the Company when the grant of Options to him is being considered.

6.2 Proposed grant of Options to Mdm Chua Soh Har

Subject to the approval of the Shareholders, the Company is proposing to grant Options to Mdm Chua Soh Har on the following terms:-

- (a) Proposed Date of Grant of Options : Within one month after the date of the EGM
- (b) Number of Shares comprised in the proposed Options : 200,000 Shares (representing approximately 0.023% of the total issued Shares excluding Treasury Shares as at the Latest Practicable Date)
- (c) Exercise Price per Share : Market Price
- (d) Exercise Period : Exercisable at any time after the first anniversary of the Date of Grant and up to the fifth anniversary of the Date of Grant

As at the Latest Practicable Date, Mdm Chua Soh Har has a direct interest in 11,804,000 Shares, deemed interest in 467,763,980 Shares, amounting in aggregate to 479,567,980 Shares, or 56.06% in the issued share capital of the Company. This is set out in **Appendix B** of this Circular.

Rationale for grant of Options to Mdm Chua Soh Har

Mdm Chua Soh Har is the spouse of Mr Wu Hsioh Kwang, the Chief Executive Officer, Executive Chairman and Controlling Shareholder of the Company. Mdm Chua has been a Non-Executive Director of the Company since June 2010.

The Directors believe that the proposed grant of Options to Mdm Chua is consistent with the Company's objectives to grant Options to Non-Executive Directors who are not employed by the Group but nevertheless work closely with the Group and/or are in the position to contribute their experience, knowledge and expertise to the development and success of the Group. As the Option Scheme serves as recognition of the contributions of those eligible to participate in the Option Scheme as well as to secure future contributions for the Company and the Group from them, the Directors consider it important that Mdm Chua should not be excluded from the Option Scheme. The Directors consider it crucial for the Company to provide sufficient incentives which will instill a sense of commitment to the Company.

The Committee when deciding on the number of Options proposed to be granted to Mdm Chua takes into consideration her performance and contribution to the Group, her years of service and potential for future development and contribution towards the long-term objectives of the Group. Mdm Chua, who is a member of the Committee, was not involved in the Committee's deliberation in arriving at

LETTER TO SHAREHOLDERS

this decision in respect of the options to be granted to her. The Directors are of the view that Mdm Chua's remuneration package (including the Options which are proposed to be granted) is fair given the contribution she has made to the Group.

For these reasons, the Directors are of the view that Mdm Chua should be granted the Options on the terms as stated above. The grant of the Options on the terms as set out above (including the size of the Option) is consistent with the Company's objectives to motivate its directors to achieve and maintain a high level of performance and contribution which is vital to the success of the Company.

Mdm Chua Soh Har will abstain from voting as a member of the Company when the grant of Options to her is being considered.

6.3 Proposed grant of Options to Ms Wu Xiuyi

Subject to the approval of the Shareholders, the Company is proposing to grant Options to Ms Wu Xiuyi on the following terms:-

- (a) Proposed Date of Grant of Options : Within one month after the date of the EGM
- (b) Number of Shares comprised in the proposed Options : 300,000 Shares (representing approximately 0.035% of the total issued Shares excluding Treasury Shares as at the Latest Practicable Date)
- (c) Exercise Price per Share : Market Price
- (d) Exercise Period : Exercisable at any time after the first anniversary of the Date of Grant and up to the fifth anniversary of the Date of Grant

As at the Latest Practicable Date, Ms Wu Xiuyi has a direct interest in 35,205,000 Shares, representing approximately 4.11% of the issued share capital of the Company. This is set out in **Appendix B** of this Circular.

Rationale for grant of Options to Ms Wu Xiuyi

Ms Wu Xiuyi is the daughter of Mr Wu Hsioh Kwang (the Chief Executive Officer, Executive Chairman and Controlling Shareholder of the Company) and Mdm Chua Soh Har (a Non-Executive Director of the Company). Ms Wu holds the position of Senior Vice President of the Company, and is the Assistant to the Executive Chairman and a director of Shanghai Ocean Aquarium, a subsidiary of the Company. Ms Wu Xiuyi has been appointed as an Alternate Director to Mr Wu Hsioh Kwang since June 2014. In addition, Ms Wu Xiuyi has also been appointed as a director in all the Singapore subsidiaries of the Company in October 2015 and April 2016 respectively.

As a director of the subsidiaries, she contributed in formulating policies, business strategies and corporate branding and ensures that the Group's directives are followed. Having been with the Group since October 2004, Ms Wu Xiuyi has acquired in-depth knowledge of many aspects of the Group's business, including its operation, administration, management and had made significant contribution in enhancing the corporate profile of the Group.

The Directors believe that the proposed grant of Options to Ms Wu is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. As the Option Scheme serves as recognition of the contributions of those eligible to participate in the Option Scheme as well as to secure future contributions for the Company and the Group from them, the Directors consider it

LETTER TO SHAREHOLDERS

important that Ms Wu should not be excluded from the Option Scheme. The Directors consider it crucial for the Company to provide sufficient incentives which will instill a sense of commitment to the Company.

The Committee when deciding on the number of Options proposed to be granted to Ms Wu takes into consideration her performance and contribution to the Group, her years of service and potential for future development and contribution towards the long-term objectives of the Group, as well as the prevailing remuneration package of Ms Wu. The Directors are of the view that Ms Wu's remuneration package (including the Options which are proposed to be granted) is fair given the contribution she has made to the Group.

For these reasons, the Directors are of the view that Ms Wu should be granted the Options on the terms as stated above. The grant of the Options on the terms as set out above (including the size of the Option) is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company.

Ms Wu Xiuyi will abstain from voting as a member of the Company when the grant of Options to her is being considered.

6.4 Proposed grant of Options to Mr Wu Xiuzhuan

Subject to the approval of the Shareholders, the Company is proposing to grant Options to Mr Wu Xiuzhuan on the following terms:-

- (a) Proposed Date of Grant of Options : Within one month after the date of the EGM
- (b) Number of Shares comprised in the proposed Options : 300,000 Shares (representing approximately 0.035% of the total issued Shares excluding Treasury Shares as at the Latest Practicable Date)
- (c) Exercise Price per Share : Market Price
- (d) Exercise Period : Exercisable at any time after the first anniversary of the Date of Grant and up to the fifth anniversary of the Date of Grant

As at the Latest Practicable Date, Mr Wu Xiuzhuan has a direct interest in 27,656,000 Shares, representing approximately 3.23% of the issued share capital of the Company. This is set out in **Appendix B** of this Circular.

Rationale for grant of Options to Mr Wu Xiuzhuan

Mr Wu Xiuzhuan is the son of Mr Wu Hsioh Kwang (the Chief Executive Officer, Executive Chairman and Controlling Shareholder of the Company) and Mdm Chua Soh Har (a Non-Executive Director of the Company). Mr Wu holds the position of Vice President (Corporate Development & Risk Management) of the Company, and is a director of Underwater World Xiamen, a subsidiary of the Company. Mr Wu Xiuzhuan has been appointed as an Alternate Director to Mdm Chua Soh Har since June 2014. In addition, Mr Wu Xiuzhuan has also been appointed as a director in all the Singapore subsidiaries of the Company in October 2015 and April 2016 respectively.

Mr Wu's current responsibilities include business development, capability building, risk management, portfolio management, as well as internal audit and control issues. He is involved in the reviewing of reporting services to support the investment and corporate operations of the Company. He identifies and manages regulatory compliance risks faced by the Company and oversees the strengthening

LETTER TO SHAREHOLDERS

of internal processes and control within the Group. Having been with the Group since November 2007, Mr Wu Xiuzhuan has acquired in-depth knowledge of many aspects of the Group's business, including its processes and the regulatory framework involved.

As a director of the subsidiaries, he provides board oversight and control over their day to day affairs.

The Directors believe that the proposed grant of Options to Mr Wu is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. As the Option Scheme serves as recognition of the contributions of those eligible to participate in the Option Scheme as well as to secure future contributions for the Company and the Group from them, the Directors consider it important that Mr Wu should not be excluded from the Option Scheme. The Directors consider it crucial for the Company to provide sufficient incentives which will instill a sense of commitment to the Company.

The Committee when deciding on the number of Options proposed to be granted to Mr Wu takes into consideration his performance and contribution to the Group, his years of service and potential for future development and contribution towards the long-term objectives of the Group, as well as the prevailing remuneration package of Mr Wu. The Directors are of the view that Mr Wu's remuneration package (including the Options which are proposed to be granted) is fair given the contribution he has made to the Group.

For these reasons, the Directors are of the view that Mr Wu should be granted the Options on the terms as stated above. The grant of the Options on the terms as set out above (including the size of the Option) is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company.

Mr Wu Xiuzhuan will abstain from voting as a member of the Company when the grant of Options to him is being considered.

6.5 Limits on grant of Options to Controlling Shareholders and their Associates

Under the Listing Manual and the Rules, the aggregate number of Shares available under the Option Scheme and such other share-based incentive schemes (if any) shall not exceed 15% of the total number of issued Shares (excluding Treasury Shares) on the day immediately preceding the Date of Grant.

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

As at the Latest Practicable Date, the number of issued Shares is 855,465,680 Shares (excluding 13,463,900 Shares which are held in treasury). The number of Shares available under all schemes which the Company may grant options over is therefore not more than 128,319,852 Shares, representing 15% of the issued Shares (excluding Treasury Shares).

As at the Latest Practicable Date, the Company has granted an aggregate of 69,458,000 options under all schemes, including 8,500,000 options to Mr Wu Hsioh Kwang, 2,348,000 options to Mdm Chua Soh Har, 4,624,000 options to Ms Wu Xiuyi and 2,730,000 options to Mr Wu Xiuzhuan, under (a) the 2014 Scheme, which was a share option scheme that was approved and adopted by the Company at its extraordinary general meeting held on 29 April 2014, and which will expire on 28 April

LETTER TO SHAREHOLDERS

2024 given its 10-year duration; and (b) an earlier share option scheme that was approved and adopted by the Company at its extraordinary general meeting held on 12 January 2004 and which expired on 11 January 2014 (the “**2004 Scheme**”).

Accordingly, the aggregate number of Options that the Company may grant under this Option Scheme is Options in respect of not more than 58,861,852 Shares. The aggregate number of Options available to Controlling Shareholders and their Associates would thus be in respect of not more than 14,715,463 Shares, and for each Controlling Shareholder or his Associate, not more than 5,886,185 Shares.

For the purposes of illustration, assuming that the proposed 300,000 Options, 200,000 Options, 300,000 Options and 300,000 Options as set out in Section 6 of this Circular are approved and granted to Mr Wu Hsioh Kwang, Mdm Chua Soh Har, Ms Wu Xiuyi and Mr Wu Xiuzhuan respectively, and that there is no change in the issued share capital of 855,465,680 Shares (excluding Treasury Shares), the aggregate number of options available under all schemes (comprising options granted under the 2004 Scheme, 2014 Scheme and the proposed Options to be granted under the Option Scheme) to each of the Controlling Shareholder and his Associates will be as follows:-

- (a) Mr Wu Hsioh Kwang will hold in aggregate 8,800,000 options (representing approximately 6.86% of the aggregate number of Shares available under all schemes);
- (b) Mdm Chua Soh Har will hold in aggregate 2,548,000 options (representing approximately 1.99% of the aggregate number of Shares available under all schemes);
- (c) Ms Wu Xiuyi will hold in aggregate 4,924,000 options (representing approximately 3.84% of the aggregate number of Shares available under all schemes);
- (d) Mr Wu Xiuzhuan will hold in aggregate 3,030,000 options (representing approximately 2.36% of the aggregate number of Shares available under all schemes); and
- (e) the total number of options which will be held by the Controlling Shareholders and Associates would be 19,302,000 options (representing approximately 15.04% of the aggregate number of Shares available under all schemes).

In addition, the aggregate number of Options proposed to be granted under the Option Scheme to each of the Controlling Shareholder and his Associates will be as follows:-

- (a) an aggregate of 300,000 Options (representing approximately 0.51% of the Shares available under the Option Scheme) would be available to Mr Wu Hsioh Kwang;
- (b) an aggregate of 200,000 Options (representing approximately 0.34% of the Shares available under the Option Scheme) would be available to Mdm Chua Soh Har;
- (c) an aggregate of 300,000 Options (representing approximately 0.51% of the Shares available under the Option Scheme) would be available to Ms Wu Xiuyi;
- (d) an aggregate of 300,000 Options (representing approximately 0.51% of the Shares available under the Option Scheme) would be available to Mr Wu Xiuzhuan; and
- (e) the total number of Options which would be available to its Controlling Shareholders and Associates would be 1,100,000 Options (representing approximately 1.87% of the Shares available under the Option Scheme).

The proposed grant of the Options to Mr Wu Hsioh Kwang, Mdm Chua Soh Har, Ms Wu Xiuyi and Mr Wu Xiuzhuan would therefore be within the limits prescribed under the Listing Manual and the Rules.

LETTER TO SHAREHOLDERS

7. FINANCIAL EFFECTS OF THE OPTION SCHEME

7.1 Potential costs arising from the proposed grant of Options

No cash outlays would be expended by the Company at the time the Options are issued by it (as compared with cash bonuses). However, under the Singapore Financial Reporting Standard (International) (“**SFRS(I)**”), the recognition of an expense in respect of Options granted under the Option Scheme 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 period from the date of grant of the Options to the vesting date (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 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.

7.2 Share Capital

As at the Latest Practicable Date, it is the Company’s intention to transfer existing Treasury Shares to the Option Holders in respect of Options which are exercised, instead of allotting and issuing new Shares.

There would be no impact on the Company’s number of issued Shares if the relevant Options are not exercised.

7.3 Dilutive Impact

It is expected that any dilutive impact of the Option Scheme on the NTA per Share and EPS would not be significant. On a per Share basis, the effect on the consolidated NTA of the Company will be accretive if the Exercise Price is above the Company’s consolidated NTA per Share, but dilutive otherwise.

7.4 Taxes

All taxes (including income tax) arising from the grant or vesting of any award under the Option Scheme shall be borne by the Participant.

8. THE 2014 SCHEME

The 2014 Scheme was approved and adopted at the Company’s extraordinary general meeting held on 29 April 2014. Given its 10-year duration, the 2014 Scheme will expire on 28 April 2024.

LETTER TO SHAREHOLDERS

8.1 Particulars of options granted under the 2014 Scheme

Particulars of options granted under the 2014 Scheme, as at the Latest Practicable Date, are as follows:-

Total number of options granted	:	37,338,000 options
Total number of outstanding options	:	18,550,000 options
Total number of options cancelled or lapsed	:	12,814,000 options
Total number of Shares reserved (pursuant to the outstanding options which are not yet exercised)	:	18,550,000 Shares (representing approximately 2.17% of the issued share capital excluding Treasury Shares of the Company as at the Latest Practicable Date).
Total number of Shares allotted (pursuant to options which have been exercised)	:	5,974,000 Shares (representing approximately 0.70% of the issued share capital excluding Treasury Shares of the Company as at the Latest Practicable Date).
Number of Participants over the duration of the 2014 Scheme	:	39
Any material conditions to which the options are subject	:	Please refer to the relevant extracts set out in Appendix C of this Circular.

8.2 Details of options granted under the 2014 Scheme to Directors (both former and existing)

Details of options granted under the 2014 Scheme to Directors of the Company (both former and existing) since the adoption of the 2014 Scheme, as at the Latest Practicable Date, are as follows:-

Dates options were granted	:	The options were granted to the Directors (both former and existing) on 12 May 2014, 12 May 2015, 12 May 2016, 11 May 2017, 21 May 2018, 23 May 2019, and 3 July 2020.
Number of Shares offered under the options	:	In aggregate, 9,310,000 options were granted to Directors (both former and existing), out of which 5,466,000 options were cancelled or lapsed, and 1,600,000 options have yet to be exercised.
Number of Shares allotted upon exercise of options	:	As at the Latest Practicable Date, the Company had allotted 2,244,000 Shares to Directors (both former and existing) pursuant to the exercise of options.

LETTER TO SHAREHOLDERS

8.3 Details of options granted under the 2014 Scheme to Controlling Shareholders and their Associates

Details of options granted under the 2014 Scheme to Controlling Shareholders and their Associates since the adoption of the 2014 Scheme, as at the Latest Practicable Date, are as follows:-

- Dates options were granted : The options were granted to the Controlling Shareholders and their Associates on 12 May 2014, 12 May 2015, 12 May 2016, 11 May 2017, 21 May 2018, 23 May 2019, and 3 July 2020.
- Number of Shares offered under the options : In aggregate, 11,632,000 options were granted to the Controlling Shareholders and their Associates, out of which 6,742,000 options were cancelled or lapsed, and 2,560,000 options have yet to be exercised.
- Number of Shares allotted upon exercise of options : As at the Latest Practicable Date, the Company had allotted 2,330,000 Shares to the Controlling Shareholders and their Associates pursuant to the exercise of options.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and the substantial shareholders of the Company (as defined in the Act) in the issued Shares are set out in **Appendix B** of this Circular.

10. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 55 of this Circular, will be held at 30 Raffles Avenue, #03-01 Singapore Flyer, Singapore 039803 on 29 April 2024 at 10.30 a.m. (or immediately after the conclusion of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing (with or without modification) the Ordinary Resolutions set out in the Notice of EGM.

11. DIRECTORS' RECOMMENDATION

All the Directors will be eligible to participate in the Option Scheme and have therefore refrained from making any recommendation to the Shareholders on the Ordinary Resolutions as set out in the Notice of EGM due to their interest in the Option Scheme.

LETTER TO SHAREHOLDERS

12. ACTION TO BE TAKEN BY SHAREHOLDERS

12.1 Appointment of Proxies

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf, will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, to 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 9 Raffles Place, #26-01, Republic Plaza, Singapore 048619; or
- (b) if submitted electronically, be submitted via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com,

in each case, not less than 72 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.

12.2 When Depositor regarded as Shareholder

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register as certified by CDP not less than 72 hours before the time fixed for the EGM.

CPFIS investors may wish to check with their CPF Approved Nominees on the procedure and deadline for the submission of their written instructions to their CPF Approved Nominees to vote on their behalf.

12.3 Abstention from Voting

Shareholders who are entitled to participate in the proposed Option Scheme shall abstain from voting at the EGM in respect of the Ordinary Resolutions set out in the Notice of EGM, including those relating to (a) implementation of the proposed Option Scheme; (b) discount quantum; and (c) participation by and Option grant to Controlling Shareholders and their Associates.

Directors and employees of the Group, who are eligible to participate in the Option Scheme and are also Shareholders, shall abstain from voting at the EGM.

Controlling Shareholders and their Associates who are entitled to participate in the Option Scheme will abstain from voting at the EGM. Accordingly, the Company shall procure that Mr Wu Hsioh Kwang, Mdm Chua Soh Har and their Associates abstain from voting in respect of the Ordinary Resolutions relating to the Option Scheme at the EGM.

All the Directors will be eligible to participate in the Option Scheme. Therefore, the Directors (who are also Shareholders) shall also abstain from voting at the EGM in respect of any of the Ordinary Resolutions to be proposed at the EGM.

The above-mentioned persons who are eligible to participate in the Option Scheme will not accept appointments as proxies for voting at the EGM in respect of the Ordinary Resolutions unless specific instructions have been given in the proxy instrument on how the Shareholders wish their votes to be cast for each of these Ordinary Resolutions.

LETTER TO SHAREHOLDERS

13. 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 Option Scheme, 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.

14. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 10 Anson Road #30-15 International Plaza Singapore 079903 during normal business hours from the date of this Circular up to and including the date of the EGM:-

- (a) the Constitution of the Company;
- (b) the Annual Report of the Company for FY2023;
- (c) the Rules of the 2014 Scheme; and
- (d) the Rules of the proposed Option Scheme.

Yours faithfully

For and on behalf of the Board of Directors of
STRACO CORPORATION LIMITED

Wu Hsioh Kwang
Executive Chairman

APPENDIX A – RULES OF THE STRACO SHARE OPTION SCHEME 2024

1. NAME OF THE ESOS

The Option Scheme shall be called the “Straco Share Option Scheme 2024”.

2. DEFINITIONS

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

“Act”	:	The Companies Act 1967 of Singapore, as may be amended or modified from time to time
“Associate”	:	(a) In relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means:- (i) his Immediate Family; (ii) the trustee of any trust of which he or his Immediate Family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30% or more; and (b) in relation to a substantial shareholder or 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 30% or more
“Auditors”	:	The auditors of the Company from time to time
“Board”	:	The board of directors of the Company
“CDP”	:	The Central Depository (Pte) Limited
“Committee”	:	A committee comprising Directors who are duly authorised and appointed by the Board pursuant to Rule 16 to administer the Option Scheme
“Company”	:	Straco Corporation Limited
“Constitution”	:	The constitution of the Company, as amended or modified from time to time
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company being controlled

APPENDIX A – RULES OF THE STRACO SHARE OPTION SCHEME 2024

“Controlling Shareholder”	:	A person who:- <ul style="list-style-type: none">(a) holds directly or indirectly 15% or more of the total voting rights in the Company (unless the SGX-ST determines that such person is not a controlling shareholder); or(b) a person who in fact exercises Control over the Company.
“Date of Grant”	:	The date on which an Option is granted to a Participant pursuant to Rule 7
“Director”	:	A person appointed as a director, including an Independent Director
“Executive Director”	:	A director of any member of the Group, who performs an executive function
“Exercise Period”	:	The period during which an Option is exercisable pursuant to Rule 11
“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 9, or such adjusted price as may be applicable pursuant to Rule 10
“FY”	:	Financial year ended, or as the case may be, ending 31 December
“Grantee”	:	A person to whom an offer of an Option is made
“Group”	:	The Company and its subsidiaries
“Immediate Family”	:	A person’s spouse, child, adopted child, step-child, sibling and parent, or such other definition as the SGX-ST may from time to time require
“Independent Director”	:	An independent director of the Company
“Listing Manual”	:	The listing manual of the SGX-ST, as may be amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for securities trading

APPENDIX A – RULES OF THE STRACO SHARE OPTION SCHEME 2024

“Market Price”	:	The average of the last dealt prices 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 Date of Grant, provided always that in the case of a Market Day on which the Shares of the Company were not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
“New Shares”	:	The new Shares which may be allotted and issued from time to time pursuant to the exercise of the Options
“Non-Executive Director”	:	A director of any member of the Group, other than an Executive Director but including the Independent Directors
“Option”	:	The right to subscribe for Shares granted or to be granted to a Participant pursuant to the Option Scheme
“Option Holder”	:	The holder of an Option
“Option Scheme”	:	This Straco Share Option Scheme 2024, as may be amended or modified from time to time
“Option Shares”	:	Shares obtained pursuant to an exercise of the Options
“Participant”	:	Any Director (including a Non-Executive Director) or confirmed employee of the Group selected by the Committee to participate in the Option Scheme in accordance with Rule 4
“Record Date”	:	The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions
“Rules”	:	Rules of the Option Scheme
“Securities Account”	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, means the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
“Shares”	:	Ordinary shares in the capital of the Company

APPENDIX A – RULES OF THE STRACO SHARE OPTION SCHEME 2024

“S\$” and “cents” : Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore

“%” or “per cent.” : Percentage or per centum

The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore.

The term “**Treasury Shares**” shall have the meaning ascribed to it in Section 4 of the Act.

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Act.

Words denoting the singular shall, where applicable, include the plural and *vice versa* and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

References to persons shall, where applicable, include corporations.

Any reference in the Option Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Act or the Listing Manual or any statutory modification thereof, and used in the Option Scheme shall, where applicable, have the meaning assigned to it under the Act or the Listing Manual or any such statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and dates in the Option Scheme shall be a reference to Singapore time and dates, unless otherwise stated.

3. OBJECTIVES OF THE OPTION SCHEME

The Option Scheme will provide an opportunity for Participants who have contributed significantly to the growth and performance of the Group and who satisfy the eligibility criteria as set out in Rule 4, to participate in the equity of the Company.

The Option Scheme is primarily a share incentive scheme, which recognises the importance of such Participants to the success and continued well-being of the Group. Implementation of the Option Scheme will enable the Company to recognise the contributions made by such Participants.

At the same time, such a scheme will give Participants an opportunity to have a direct interest in the Company and will also achieve the following positive objectives:-

- (a) to motivate Participants to optimise their performance standards and efficiency, and to maintain a high level of contribution to the Group;
- (b) to retain employees and Non-Executive Directors whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instill loyalty to, and reinforce a stronger identification by Participants with the long-term prosperity of the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for Shareholders;
- (e) to align the interests of Participants with the interests of Shareholders; and

APPENDIX A – RULES OF THE STRACO SHARE OPTION SCHEME 2024

- (f) to give recognition to the contributions made or to be made by employees and Non-Executive Directors to the success of the Group.

4. ELIGIBILITY

- 4.1 Subject to the absolute discretion of the Committee, Participants who have attained the age of 21 years on or prior to the relevant Date of Grant, are not undischarged bankrupts, have not entered into a composition with their respective creditors, and, where applicable, who have, as of the Date of Grant, been in the employment of the Group for a period of at least 12 months, or such shorter period as the Committee may determine, and Non-Executive Directors who, in the opinion of the Committee, have contributed or will contribute to the success of the Group, shall be eligible to participate in the Option Scheme.
- 4.2 Persons who are Controlling Shareholders or their Associates shall, if each such person meets the eligibility criteria in Rule 4.1, be eligible to participate in the Option Scheme provided that:-
 - (a) their participation in the Option Scheme is specifically approved by independent Shareholders in separate resolutions for each such person;
 - (b) the aggregate number of Option Shares available to Controlling Shareholders and their Associates shall not exceed 25% of the total number of Shares available under the Option Scheme; and
 - (c) the number of Shares available to any one Controlling Shareholder or his Associate shall not exceed 10% of the total number of Option Shares available under the Option Scheme.

No Option shall be granted to such Controlling Shareholders or their Associates unless the actual number and terms of Options to be granted shall be approved by independent Shareholders in a separate resolution for each such person. A circular, letter or notice to Shareholders proposing such a resolution shall include a clear rationale for the proposed participation by such Controlling Shareholders or their Associates. Such circular, letter or notice to Shareholders shall also include a clear rationale for the number and terms (including Exercise Price) of the Options to be granted.

- 4.3 There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by the Company or any of its subsidiaries or otherwise.
- 4.4 Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Option Scheme may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

5. MAXIMUM ENTITLEMENT

- 5.1 Subject to Rule 4, Rule 6 and Rule 10, the aggregate number of Shares in respect of which Options may be offered to a Grantee for subscription in accordance with the Option Scheme shall be determined at the absolute discretion of the Committee.
- 5.2 In reaching its decisions, the Committee shall take into account, where applicable, criteria such as rank, past performance, years of service and potential contribution of the Grantee.

APPENDIX A – RULES OF THE STRACO SHARE OPTION SCHEME 2024

6. LIMITATION ON SIZE OF THE OPTION SCHEME

The aggregate number of Shares (comprising New Shares issued and issuable in respect of the Options granted under the Option Scheme and/or Treasury Shares transferred and transferable in respect of the Options) over which the Committee may offer to grant Options on any date, when added to:-

- (a) the aggregate number of New Shares issued and issuable in respect of all other share-based incentive schemes of the Company (if any); and
- (b) the number of Treasury Shares transferred and transferable in respect of the options granted under all other share-based incentive schemes of the Company (if any),

shall not exceed 15% of the total issued Shares (excluding Treasury Shares and subsidiary holdings if any) of the Company on the date immediately preceding the Date of Grant.

The aggregate number of Shares over which the Committee may offer to grant Options to the Controlling Shareholders and their Associates under the Option Scheme, shall not exceed 25% of the Shares available under the Option Scheme, Provided Always that the number of Shares available to each Controlling Shareholder or each of his Associates shall not exceed 10% of the Shares available under the Option Scheme.

The aggregate number of Shares available to directors and employees of the Company's subsidiaries shall not exceed 20% of the Shares available under the Option Scheme. Further, if any Options are granted to a director or employee of the Company's subsidiaries that, together with Options already granted to the person under the Option Scheme, would represent 5% or more of the total number of Options available to such directors and employees, independent shareholders' prior approval will be sought in separate resolutions for each such person as well as to approve the aggregate number of Options to be made available for grant to all directors and employees of the Company's subsidiaries.

7. DATE OF GRANT

- 7.1 The Committee may, save as provided in Rule 4, Rule 5 and Rule 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the Option Scheme is in force, except that no offer of grant of Options shall be made during the period of 1 month immediately preceding the date of announcement of the Company's half-year or full-year result (as the case may be). In addition, in the event that an announcement of any matter of an exceptional nature involving unpublished price sensitive information is made, offers to grant Options may only be made on or after the second Market Day after such announcement has been released.
- 7.2 An offer to grant an Option shall be made by way of a letter (the "**Letter of Offer**") in the form or substantially in the form set out in Appendix A1, subject to such amendments as the Committee may determine from time to time.

8. ACCEPTANCE OF OFFER

- 8.1 An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within 30 days after the relevant Date of Grant and not later than 5.00 p.m. on the thirtieth (30th) day from such Date of Grant (a) by completing, signing and returning to the Company the form (the "**Acceptance Form**") in or substantially in the form set out in **Appendix A2**, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1 as consideration or such other amount and such other documentation as the Committee may require; and (b) if, at the date on which the Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the Option Scheme in accordance with these Rules.

APPENDIX A – RULES OF THE STRACO SHARE OPTION SCHEME 2024

- 8.2 If an offer of grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the 30-day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.
- 8.3 The Company shall be entitled to reject any purported acceptance of an offer of grant of an Option made pursuant to this Rule 8 or Exercise Notice given pursuant to Rule 12 which does not strictly comply with the terms of the Option Scheme.
- 8.4 Options are personal to the Grantees and Option Holders to whom they are offered or granted as the case may be, and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee's prior written approval, but may be exercised by the Option Holder's duly appointed personal representative(s) as provided in Rule 11.7 in the event of the death of such Option Holder.
- 8.5 The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 1,000 Shares. The Committee shall, within 15 Market Days of receipt of the Acceptance Form and consideration, acknowledge receipt of the same.
- 8.6 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 8.7 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:–
- (a) it is not accepted in the manner as provided in Rule 8.1 within the 30-day period; or
 - (b) the Grantee dies prior to his acceptance of the Option; or
 - (c) the Grantee is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
 - (d) the Grantee: (i) being an employee ceases to be in the employment of the Group, or (ii) being a Non-Executive Director ceases to be a director of the Group, 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.

9. EXERCISE PRICE

- 9.1 Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and fixed by the 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 Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20% of the Market Price. In the event that SGX-ST prescribes or permits a higher percentage of discount, the Company will seek Shareholders' approval for the increase in discount at a general meeting.

APPENDIX A – RULES OF THE STRACO SHARE OPTION SCHEME 2024

- 9.2 In making any determination under Rule 9.1(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:-
- (a) the performance of the Group, taking into account financial factors such as net profit after tax, return on equity and earnings growth;
 - (b) the years of service, the designation and individual performance of the eligible Participant; and
 - (c) the contribution and potential contribution of the eligible Participant to the success and development of the Company and/or the Group.

10. ALTERATION OF CAPITAL

- 10.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves, bonus or rights issue, or reduction, subdivision, consolidation or distribution, or otherwise howsoever) should take place, then:-
- (a) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised; and/or
 - (b) the number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
 - (c) the number of Shares in respect of which additional Options may be granted to Option Holders, may, at the discretion of the Committee, be adjusted in such manner as the 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 bonus issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.
- 10.2 Notwithstanding the provisions of Rule 10.1 above, no such adjustment shall be made if, as a result, the Participant receives a benefit that a Shareholder does not receive.
- 10.3 The issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Listing Manual, undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment under the provisions of this Rule 10.
- 10.4 Upon any adjustment required to be made, the Company shall notify each Option Holder (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the number of Shares thereafter comprised in the Option so far as unexercised.

APPENDIX A – RULES OF THE STRACO SHARE OPTION SCHEME 2024

11. EXERCISE PERIOD

11.1 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 1,000 Shares or any multiple thereof), at any time, by:

- (a) an Option Holder, who is an employee or Executive Director, during the Exercise Period which shall commence after the first anniversary of the Date of Grant of the Options and expiring on the tenth anniversary of such Date of Grant (or such earlier date as may be determined by the Committee); and
- (b) an Option Holder, who is a Non-Executive Director, during the Exercise Period which shall commence after the first anniversary of the Date of Grant of the Options and expiring on the fifth anniversary of such Date of Grant (or such earlier date as may be determined by the Committee),

failing which all unexercised Options shall immediately lapse and become null and void and the Option Holder shall have no claim against the Company.

11.2 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 1,000 Shares or any multiple thereof), at any time, by:

- (a) an Option Holder, who is an employee or Executive Director, during the Exercise Period which shall commence after the second anniversary of the Date of Grant of the Options and expiring on the tenth anniversary of such Date of Grant (or such earlier date as may be determined by the Committee); and
- (b) an Option Holder, who is a Non-Executive Director, during the Exercise Period which shall commence after the second anniversary of the Date of Grant of the Options and expiring on the fifth anniversary of such Date of Grant (or such earlier date as may be determined by the Committee),

failing which all unexercised Options shall immediately lapse and become null and void and the Option Holder shall have no claim against the Company.

11.3 An Option shall, to the extent unexercised, immediately lapse and become null and void and the Option Holder shall have no claim against the Company:-

- (a) subject to this Rule 11, upon the Option Holder ceasing to be in the employment of the Group or a Non-Executive Director for any reason whatsoever;
- (b) upon the bankruptcy of the Option Holder or the happening of any other event which result 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 Option Holder, as determined by the Committee in its absolute discretion.

11.4 If an Option Holder ceases to be employed by the Group or a Non-Executive Director by reason of his:-

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
- (b) redundancy;

APPENDIX A – RULES OF THE STRACO SHARE OPTION SCHEME 2024

- (c) retirement at or after the normal retirement age; or
- (d) retirement before the normal retirement age with the consent of the Committee,

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

11.5 If an Option Holder ceases to be employed by a subsidiary or a Non-Executive Director:–

- (a) by reason of the subsidiary, by which he is principally employed, ceasing to be a company within the Group or the undertaking or part of the undertaking of such subsidiary, being transferred otherwise than to another company within the Group; or
- (b) for any other reason, provided the Committee gives its consent in writing,

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

11.6 For the purposes of this Rule 11, an Option Holder 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. For the avoidance of doubt, no Option shall lapse pursuant to this Rule 11 in the event of any transfer of employment of an Option Holder within the Group or upon the cessation of employment of an Executive Director who shall continue to serve as a Non-Executive Director.

11.7 If an Option Holder dies and at the date of his death holds any unexercised Options, such Options may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representative(s) of the Option Holder within the relevant Exercise Period and upon the expiry of such period, the Options remaining unexercised shall immediately lapse and become null and void.

12. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

12.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by an Option Holder giving notice in writing to the Company in or substantially in the form set out in **Appendix A3** (the “**Exercise Notice**”), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said Exercise Notice duly completed and signed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option. The Option Holder shall fully exercise his or her Options within 5 years from the Date of Grant of the Options. All unexercised Options after 5 years from the Date of Grant shall be null and void.

12.2 Subject to:–

- (a) such consent or other actions required by 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

APPENDIX A – RULES OF THE STRACO SHARE OPTION SCHEME 2024

(b) compliance with the Rules of the Option Scheme and the Constitution of the Company,

the Company shall, as soon as practicable after the exercise of an Option by an Option Holder but in any event within 10 Market Days after the date of the exercise of the Option in accordance with Rule 12.1, allot the Shares in respect of which such Option has been exercised by the Option Holder and within 5 Market Days from the date of such allotment, despatch the relevant share certificate(s) to CDP for the credit of the securities account of that Option Holder by ordinary post or such other mode of delivery as the Committee may deem fit or in the case of a transfer of Treasury Shares, do such acts or things which are necessary for the transfer to be effective.

12.3 The Company shall as soon as practicable after the exercise of an Option and where necessary, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Option Holder pursuant to any adjustment made in accordance with Rule 10.

12.4 Shares allotted and issued or Treasury Shares which are transferred, upon the exercise of an Option shall be subject to all provisions of the Constitution of the Company and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights (including voting rights), allotments or other distributions, the Record Date for which falls prior to the date of issue or transfer (as the case may be) of the said Shares.

12.5 Except as set out in Rule 12.2 and subject to Rule 10, an Option does not confer on an Option Holder any right to participate in any new issue of Shares.

12.6 The Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

13. ALTERATIONS AND AMENDMENTS TO THE OPTION SCHEME

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

(a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of Option Holders who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in number of all the Shares which would fall to be issued and allotted upon exercise in full of all outstanding Options;

(b) any modification or alteration which would be to the advantage of Option Holder under the Option Scheme shall be subject to the prior approval of Shareholders at a general meeting; and

(c) no modification or alteration shall be made without the prior approval of the SGX-ST or (if required) any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

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

APPENDIX A – RULES OF THE STRACO SHARE OPTION SCHEME 2024

13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without any other formality, save for the prior approval of the SGX-ST) amend or alter the Option Scheme in any way to the extent necessary to cause the Option Scheme to comply with any statutory provision or the provisions or regulations of any regulatory or other relevant authority or body (including the SGX-ST).

13.3 Written notice of any modification or alteration made to the Option Scheme in accordance with this Rule shall be given to all Option Holders.

14. DURATION OF THE OPTION SCHEME

14.1 The Option Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years, commencing on the date on which the Option Scheme is adopted by Shareholders at a general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the Option Scheme may be continued beyond the above stipulated period with the approval of Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

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

14.3 The termination, discontinuance or expiry of the Option Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

15. TAKE-OVER AND WINDING UP OF THE COMPANY

15.1 Notwithstanding Rule 11 but subject to Rule 15.5, in the event of a take-over offer being made for the Shares, an Option Holder shall be entitled to exercise any Options held by him and as yet unexercised (including any Options which are then not yet exercisable), in respect of such number of Shares comprised in that Options in the period commencing on the date on which such offer is made or, if such offer is conditional, 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 6 months thereafter, unless prior to the expiry of such 6-month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the expiry of the Exercise Period relating thereto); or

(b) the date of expiry of the Exercise Period relating thereto,

whereupon the Options then remaining unexercised shall lapse and become null and void.

Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Act and, being entitled to do so, gives notice to the Option Holder that it intends to exercise such rights on a specified date, the Options shall remain exercisable by the Option Holder until the expiry of such specified date or the expiry of the Exercise Period relating thereto, whichever is earlier. Any Options not so exercised shall lapse provided that the rights of acquisition or obligations to acquire shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Options shall, notwithstanding Rule 11, remain exercisable until the expiry of the Exercise Period relating thereto. For the avoidance of doubt, the provisions of this Rule 15.1 shall not come into operation in the event that a take-over offer which is conditional does not become or is not declared unconditional.

APPENDIX A – RULES OF THE STRACO SHARE OPTION SCHEME 2024

- 15.2 If under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or if under the Act, the Registrar of Companies issues a notice of amalgamation for the purposes of, or in connection with the amalgamation of the Company with another company or companies, each Option Holder shall be entitled, notwithstanding Rule 11 but subject to Rule 15.5, to exercise any Options then held by him and as yet unexercised (including any Options which are then not yet exercisable), during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court or the date on which the notice of amalgamation is issued by the Registrar of Companies, as the case may be, and ending either on the expiry of 60 days thereafter or the date upon which the compromise, arrangement or amalgamation, as the case may be, becomes effective, whichever is later (but not after the expiry of the Exercise Period relating thereto), whereupon the Options then remaining unexercised shall lapse and become null and void.
- 15.3 If an order is made for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall automatically lapse and become null and void.
- 15.4 In the event a notice is given by the Company to its members to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date or as soon as practicable after it despatches such notice to each member of the Company give notice thereof to all Option Holders (together with a notice of the existence of the provision of this Rule 15.4) and thereupon, each Option Holder (or his personal representatives) shall be entitled to exercise all or any of his Options held by him and as yet unexercised (including any Options which are then not yet exercisable) at any time not later than 2 business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the aggregate Exercise Price whereupon the Company shall as soon as possible and in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot and issue or transfer the relevant Shares to the Option Holder credited as fully paid.
- 15.5 If in connection with the making of a general offer referred to in Rule 15.1 or the scheme referred to in Rule 15.2 or the winding-up referred to in Rule 15.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Option Holders, whether by the continuation of their Options or the payment of cash or the grant of other Options or otherwise, notwithstanding the provisions of this Rule 15, an Option Holder holding an Option, as yet unexercised, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.
- 15.6 To the extent that an Option is not exercised within the periods referred to in this Rule 15, it shall automatically lapse and become null and void.
- 16. ADMINISTRATION OF THE OPTION SCHEME**
- 16.1 The Option Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board.
- 16.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Option Scheme) for the implementation and administration of the Option Scheme as it thinks fit.
- 16.3 Any decision of the Committee, made pursuant to any provision of the Option Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Option Scheme or any rule, regulation, or procedure thereunder or as to any rights under the Option Scheme).

APPENDIX A – RULES OF THE STRACO SHARE OPTION SCHEME 2024

16.4 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Options to be granted to him.

17. NOTICES

17.1 Any notice given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.

17.2 Any notice or documents given by the Company to a Participant shall be sent to the Participant by hand or sent by post or delivered to him at his home address stated in the records of the Company or the last known address of the Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

18. TERMS OF EMPLOYMENT UNAFFECTED

18.1 The Option Scheme or any Option shall not form part of any contract of employment between the Company, any subsidiary and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Option Scheme or any right which he may have to participate in it or any Option which he may hold and the Option Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

18.2 The Option Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company and/or any subsidiary directly or indirectly or give rise to any cause of action at law or in equity against the Company and/or any subsidiary.

19. TAXES

All taxes (including income tax) arising from the exercise of any Options granted to any Option Holder under the Option Scheme and/or the sale of any Option Shares shall be borne by the Option Holder.

20. COSTS AND EXPENSES OF THE OPTION SCHEME

20.1 Each Option Holder shall be responsible for all fees of CDP relating to or in connection with the allotment and issue and/or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Option Holder's securities account with CDP or the Option Holder's securities sub-account with his Depository Agent and all taxes referred to in Rule 19 which shall be payable by the relevant Option Holder.

20.2 Save for such costs and expenses expressly provided in the Option Scheme to be payable by the Option Holders, all fees, costs, and expenses incurred by the Company in relation to the Option Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue and/or transfer of the Shares pursuant to the exercise of any Option shall be borne by the Company.

APPENDIX A – RULES OF THE STRACO SHARE OPTION SCHEME 2024

21. DISCLAIMER OF LIABILITY

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

22. DISPUTES

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

23. CONDITION OF OPTION

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

24. GOVERNING LAW

The Option Scheme 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 Option Scheme, and the Company irrevocably submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

25. DISCLOSURES

25.1 In accordance with the Listing Manual, the Company shall, on any grant of Options make an announcement providing details of the grant, including the date of grant, exercise price of Options granted, number of Options granted, market price of its securities on the date of grant, number of Options granted to directors and controlling shareholders (and their associates), if any, and the validity period of the Options.

25.2 The Company shall make the following disclosures in its annual report:-

- (a) the names of the members of the Committee;
- (b) the information required in the table below for the following Participants (which for the avoidance of doubt, shall include Participants who have exercised all their Options in any particular FY):-
 - (1) Participants who are Directors of the Company;
 - (2) if any, Participants who are Controlling Shareholders and their Associates; and
 - (3) Participants, other than those in (1) and (2) above, who receive 5% or more of the total number of Options available under the Option Scheme;

APPENDIX A – RULES OF THE STRACO SHARE OPTION SCHEME 2024

Name of Participant	Options granted during the FY under review (including terms)	Aggregate Options granted since commencement of the Option Scheme to end of the FY under review	Aggregate Options exercised since commencement of the Option Scheme to end of the FY under review	Aggregate Options outstanding as at end of the FY under review
----------------------------	---	--	--	---

- (c) the number and proportion of Options granted at the following discounts to the Market Price of the Shares in the FY under review:–
- (1) Options granted at a discount of 10% or less; and
 - (2) Options granted at above 10% but not more than 20% discount;
- (d) if any of the requirements above is not applicable, an appropriate negative statement must be included.

26. ABSTENTION FROM VOTING

Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the Option Scheme.

APPENDIX A1 – LETTER OF OFFER

Serial No.: _____

PRIVATE AND CONFIDENTIAL

Date:

To: Name
Designation
Address

Dear Sir/Madam

STRACO SHARE OPTION SCHEME 2024

We are pleased to inform you that you have been nominated by the Committee of the Board of Directors of Straco Corporation Limited (the “**Company**”) to participate in the Straco Share Option Scheme 2024 (the “**Option Scheme**”). Terms as defined in the Option Scheme 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, to subscribe for and be allotted _____ Shares at the price of S\$ _____ for each Share. The Option shall be subject to the terms of this Letter of Offer and the Option Scheme (as the same may be amended or modified from time to time pursuant to the terms and conditions of the Option Scheme), a copy of which is enclosed herewith.

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\$1 not later than _____ a.m. / p.m. on _____, failing which this offer will forthwith lapse.

Yours faithfully
For and on behalf of
Straco Corporation Limited

Name:

Designation:

APPENDIX A2 – ACCEPTANCE FORM

Serial No.: _____

PRIVATE AND CONFIDENTIAL

To: The Committee
Straco Share Option Scheme 2024
Straco Corporation Limited
10 Anson Road #30-15
International Plaza
Singapore 079903

Closing Time and Date for Acceptance of Option : _____

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

Exercise Price per Share : S\$ _____

Total Amount Payable on Acceptance of Option : S\$ _____

I have read your Letter of Offer dated _____ and agree to be bound by the terms thereof and of the Straco Share Option Scheme 2024 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 Option to subscribe for such Shares.

I hereby accept the Option to subscribe for _____ Shares at S\$_____ for each Share and enclose *cash / bank draft / cashier's order / postal order no. _____ for \$_____ being payment for the acceptance 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 and/or transfer of any Shares in CDP's name, the deposit of share certificate(s) with CDP, my securities account with CDP or my securities sub-account with a CDP Depository Agent (as the case may be) (collectively, the "**CDP charges**").

I confirm that as at the date hereof:-

- (a) I am not less than 21 years old nor an undischarged bankrupt nor have I entered into a composition with any of my creditors;
- (b) I satisfy the eligibility requirements to participate in the Option Scheme as defined in Rule 4 of the Option Scheme; and
- (c) I satisfy the other requirements to participate in the Option Scheme as set out in the Rules of the Option Scheme.

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.

APPENDIX A2 – ACCEPTANCE FORM

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 as appropriate

Notes:-

1. Options must be accepted in full or in multiples of 1,000 Shares.
2. This Acceptance Form must be addressed to The Committee, Straco Share Option Scheme 2024, in a sealed envelope marked "Private and Confidential".
3. The Option Holder shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

APPENDIX A3 – EXERCISE NOTICE

PRIVATE AND CONFIDENTIAL

To: The Committee
Straco Share Option Scheme 2024
10 Anson Road #30-15
International Plaza
Singapore 079903

Total number of ordinary shares (the “**Shares**”) at :
S\$_____per Share under an Option
granted on_____

Number 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)

1. Pursuant to your Letter of Offer dated_____and my acceptance thereof, I hereby exercise the Option to subscribe for the abovementioned Shares in Straco Corporation Limited (the “**Company**”) at S\$_____per Share.
2. I hereby request the Company to allot and issue and/or transfer to me the number of Shares specified in paragraph 1 in the name of The Central Depository (Pte) Limited (“**CDP**”) to the credit of my *Securities Account with CDP / *Securities Sub-Account with a CDP Depository Agent specified below and to deliver the share certificate(s) relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP (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 : _____

3. I enclose a * cheque / cashier’s order / bank draft / postal order no. _____ for S\$ _____ in payment for the subscription of the total number of the said Shares and the CDP charges of S\$_____.
4. I agree to subscribe for the Shares subject to the terms of the Letter of Offer, the Straco Share Option Scheme 2024 (as the same may be amended or modified pursuant to the terms thereof from time to time) and the Constitution of the Company.
5. I declare that I am subscribing for the Shares for myself and not as a nominee for any other person.

APPENDIX A3 – EXERCISE NOTICE

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC / Passport No. : _____

Signature : _____

Date : _____

* Delete as appropriate

Notes:-

1. An Option may be exercised in whole or in part provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof.
2. This Exercise Notice must be addressed to The Committee, Straco Share Option Scheme 2024, in a sealed envelope marked "Private and Confidential".

APPENDIX B – DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTERESTS IN THE COMPANY

The shareholdings of the Directors and Substantial Shareholders as recorded in the Register of Directors’ Shareholdings and Register of Substantial Shareholders (based on notifications received from the respective Directors and Substantial Shareholders) as at the Latest Practicable Date were as follows:-

	Direct Interest	Deemed Interest	Total Interest	%	Aggregate number of Shares comprised in outstanding options
Directors					
Mr Wu Hsioh Kwang	8,888,000 ⁽²⁾	470,679,980 ⁽¹⁾	479,567,980	56.06	800,000
Mr Li Weiqiang	330,000	-	330,000	0.04	400,000
Mdm Chua Soh Har	11,804,000 ⁽³⁾	467,763,980 ⁽¹⁾	479,567,980	56.06	400,000
Mr Tay Siew Choon	2,150,000	-	2,150,000	0.25	400,000
Mr Lim Song Joo	1,224,000	-	1,224,000	0.14	400,000
Mr Hee Theng Fong	-	-	-	-	400,000
Mr Teo Ser Luck	-	-	-	-	-
Ms Wu Xiuyi (<i>Alternate Director to Mr Wu Hsioh Kwang</i>)	35,205,000 ⁽⁴⁾	-	35,205,000	4.11	680,000
Mr Wu Xiuzhuan (<i>Alternate Director to Mdm Chua Soh Har</i>)	27,656,000 ⁽⁵⁾	-	27,656,000	3.23	680,000
Substantial Shareholders					
Straco Holding Pte Ltd	314,885,440	-	314,885,440	36.81	-
China Poly Group Corporation	189,803,600	-	189,803,600	22.19	-
Straco (HK) Limited	143,990,540	-	143,990,540	16.83	-
Mr Wu Hsioh Kwang	8,888,000	470,679,980	479,567,980	56.06	800,000
Mdm Chua Soh Har	11,804,000	467,763,980	479,567,980	56.06	400,000

Notes:-

- (1) Mr Wu Hsioh Kwang and Mdm Chua Soh Har together collectively beneficially own 100% of the issued share capital of Straco Holding Pte Ltd and Straco (HK) Limited and are therefore deemed interested by virtue of Section 7 of the Act in the Shares held by these said companies in the capital of the Company.
- (2) As at the Latest Practicable Date, the direct interest of Mr Wu Hsioh Kwang comprises of 3,988,000 Shares representing 0.47% of the total number of issued Shares (excluding treasury shares) held by his nominee, UOB Kay Hian Pte Ltd.
- (3) As at the Latest Practicable Date, the direct interest of Mdm Chua Soh Har comprises of 10,844,000 Shares representing 1.27% of the total number of issued Shares (excluding treasury shares) held by her nominee, UOB Kay Hian Pte Ltd.
- (4) As at the Latest Practicable Date, the direct interest of Ms Wu Xiuyi comprises of 32,865,000 Shares representing 3.84% of the total number of issued Shares (excluding treasury shares) held by her nominee, UOB Kay Hian Pte Ltd.
- (5) As at the Latest Practicable Date, the direct interest of Mr Wu Xiuzhuan comprises of 26,956,000 Shares representing 3.15% of the total number of issued Shares (excluding treasury shares) held by his nominee, DBS Vickers Securities (S) Pte Ltd.

APPENDIX C – EXTRACTS FROM THE RULES OF THE 2014 SCHEME

The following are extracts from the rules of the 2014 Scheme pertaining to certain salient terms applicable to options granted under the scheme. All capitalised terms used in this Appendix C shall have the same meanings as set out in the rules of the 2014 Scheme. Please refer to the rules in their entirety for the other terms and conditions governing the 2014 Scheme.

“4. ELIGIBILITY OF PARTICIPANTS

- 4.1 Subject to the absolute discretion of the Committee, Participants who have attained the age of 21 years on or prior to the relevant Date of Grant, are not undischarged bankrupts, have not entered into a composition with their respective creditors, and, where applicable, who have, as of the Date of Grant, been in the employment of the Group for a period of at least 12 months, or such shorter period as the Committee may determine, and Non-Executive Directors who, in the opinion of the Committee, have contributed or will contribute to the success of the Group, shall be eligible to participate in the Option Scheme.
- 4.2 Persons who are Controlling Shareholders or their Associates shall, if each such person meets the eligibility criteria in Rule 4.1, be eligible to participate in the Option Scheme provided that:-
- (a) their participation in the Option Scheme is specifically approved by independent Shareholders in separate resolutions for each such person;
 - (b) the aggregate number of Option Shares available to Controlling Shareholders and their Associates shall not exceed 25% of the total number of Shares available under the Option Scheme; and
 - (c) the number of Shares available to any one Controlling Shareholder or his Associate shall not exceed 10% of the total number of Option Shares available under the Option Scheme.
- 4.3 No Option shall be granted to such Controlling Shareholders or their Associates unless the actual number and terms of Options to be granted shall be approved by independent Shareholders in a separate resolution for each such person. A circular, letter or notice to Shareholders proposing such a resolution shall include a clear rationale for the proposed participation by such Controlling Shareholders or their Associates. Such circular, letter or notice to Shareholders shall also include a clear rationale for the number and terms (including Exercise Price) of the Options to be granted.
- 4.4 There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by the Company or any of its subsidiaries or otherwise.
- 4.5 Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Option Scheme may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

5. MAXIMUM ENTITLEMENT

- 5.1 Subject to Rule 4, Rule 6 and Rule 10, the aggregate number of Shares in respect of which Options may be offered to a Grantee for subscription in accordance with the Option Scheme shall be determined at the absolute discretion of the Committee.
- 5.2 In reaching its decisions, the Committee shall take into account, where applicable, criteria such as rank, past performance, years of service and potential contribution of the Grantee.

APPENDIX C – EXTRACTS FROM THE RULES OF THE 2014 SCHEME

6. LIMITATION ON SIZE OF THE OPTION SCHEME

The aggregate number of Shares (comprising New Shares issued and issuable in respect of the Options granted under the Option Scheme and/or Treasury Shares transferred and transferable in respect of the Options) over which the Committee may offer to grant Options on any date, when added to:-

- (a) the aggregate number of New Shares issued and issuable in respect of all other share-based incentive schemes of the Company (if any); and
- (b) the number of Treasury Shares transferred and transferable in respect of the options granted under all other share-based incentive schemes of the Company (if any),

shall not exceed 15% of the total issued Shares (excluding Treasury Shares) of the Company on the date immediately preceding the Date of Grant.

8. ACCEPTANCE OF OFFER

- 8.1 An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within 30 days after the relevant Date of Grant and not later than 5.00 p.m. on the thirtieth (30th) day from such Date of Grant (a) by completing, signing and returning to the Company the form (the “**Acceptance Form**”) in or substantially in the form set out in Appendix A2, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1 as consideration or such other amount and such other documentation as the Committee may require; and (b) if, at the date on which the Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the Option Scheme in accordance with these Rules.
- 8.2 If an offer of grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the 30 day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.
- 8.3 The Company shall be entitled to reject any purported acceptance of an offer of grant of an Option made pursuant to this Rule 8 or Exercise Notice given pursuant to Rule 12 which does not strictly comply with the terms of the Option Scheme.
- 8.4 Options are personal to the Grantees and Option Holders to whom they are offered or granted as the case may be, and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee’s prior written approval, but may be exercised by the Option Holder’s duly appointed personal representative(s) as provided in Rule 11.7 in the event of the death of such Option Holder.
- 8.5 The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 1,000 Shares. The Committee shall, within 15 Market Days of receipt of the Acceptance Form and consideration, acknowledge receipt of the same.
- 8.6 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 8.7 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:-
 - (a) it is not accepted in the manner as provided in Rule 8.1 within the 30 day period; or
 - (b) the Grantee dies prior to his acceptance of the Option; or

APPENDIX C – EXTRACTS FROM THE RULES OF THE 2014 SCHEME

- (c) the Grantee is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
- (d) the Grantee: (i) being an employee ceases to be in the employment of the Group, or (ii) being a Non-Executive Director ceases to be a director of the Group, 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.

9. EXERCISE PRICE

9.1 Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and fixed by the 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 Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20% of the Market Price. In the event that SGX-ST prescribes or permits a higher percentage of discount, the Company will seek Shareholders' approval for the increase in discount at a general meeting.

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

- (a) the performance of the Group, taking into account financial factors such as net profit after tax, return on equity and earnings growth;
- (b) the years of service, the designation and individual performance of the eligible Participant; and
- (c) the contribution and potential contribution of the eligible Participant to the success and development of the Company and/or the Group.

14. DURATION OF THE OPTION SCHEME

14.1 The Option Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years, commencing on the date on which the Option Scheme is adopted by Shareholders at a general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the Option Scheme may be continued beyond the above stipulated period with the approval of Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

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

14.3 The termination, discontinuance or expiry of the Option Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

APPENDIX C – EXTRACTS FROM THE RULES OF THE 2014 SCHEME

16. ADMINISTRATION OF THE OPTION SCHEME

- 16.1 The Option Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board.
- 16.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Option Scheme) for the implementation and administration of the Option Scheme as it thinks fit.
- 16.3 Any decision of the Committee, made pursuant to any provision of the Option Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Option Scheme or any rule, regulation, or procedure thereunder or as to any rights under the Option Scheme).
- 16.4 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Options to be granted to him.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

STRACO CORPORATION LIMITED

(Incorporated In the Republic of Singapore)
(Company Registration Number: 200203482R)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Straco Corporation Limited (the “**Company**”) will be held at 30 Raffles Avenue, #03-01 Singapore Flyer, Singapore 039803 on 29 April 2024 at 10.30 a.m. (or immediately after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing (with or without modification), the following resolutions as Ordinary Resolutions:-

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 8 April 2024.

ORDINARY RESOLUTIONS:-

1. Proposed Adoption of the Straco Share Option Scheme 2024

That the share option scheme to be known as the Straco Share Option Scheme 2024 (the “**Option Scheme**”), the Rules of which have been set out in the circular to Shareholders dated 8 April 2024 (the “**Circular**”), be and is hereby approved and adopted substantially in the form set out in the Rules of the Option Scheme, and the Directors of the Company be and are hereby authorised:-

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

2. Authority to Offer and Grant Options at a Discount under the Option Scheme

That subject to and contingent upon the passing of Ordinary Resolution 1, the Directors of the Company be and are hereby authorised to offer and grant Options in accordance with the Rules of the Option Scheme with Exercise Prices set at a discount to the Market Price, provided that such discount does not exceed the relevant limits set by Singapore Exchange Securities Trading Limited.

3. Proposed Participation by Mr Wu Hsioh Kwang in the Option Scheme

That subject to and contingent upon the passing of Ordinary Resolution 1, the participation of Mr Wu Hsioh Kwang, a Controlling Shareholder of the Company, in the Option Scheme be and is hereby approved.

4. Proposed Participation by Mdm Chua Soh Har in the Option Scheme

That subject to and contingent upon the passing of Ordinary Resolution 1, the participation of Mdm Chua Soh Har, an Associate of a Controlling Shareholder of the Company, in the Option Scheme be and is hereby approved.

NOTICE OF EXTRAORDINARY GENERAL MEETING

5. Proposed Participation by Ms Wu Xiuyi in the Option Scheme

That subject to and contingent upon the passing of Ordinary Resolution 1, the participation of Ms Wu Xiuyi, an Associate of a Controlling Shareholder of the Company, in the Option Scheme be and is hereby approved.

6. Proposed Participation by Mr Wu Xiuzhuan in the Option Scheme

That subject to and contingent upon the passing of Ordinary Resolution 1, the participation of Mr Wu Xiuzhuan, an Associate of a Controlling Shareholder of the Company, in the Option Scheme be and is hereby approved.

7. Proposed Grant of Options under the Option Scheme to Controlling Shareholder, Mr Wu Hsioh Kwang

That subject to and contingent upon the passing of Ordinary Resolutions 1, 2 and 3, the proposed offer and grant to Mr Wu Hsioh Kwang, a Controlling Shareholder of the Company, of Options pursuant to and in accordance with the Rules of the Option Scheme on the following terms, be and is hereby approved, and the Directors be and are hereby authorized to allot and issue Shares upon the exercise of such Options:-

- (a) Proposed Date of Grant of Options : Within one month after the date of the EGM
- (b) Number of Shares comprised in the proposed Options : 300,000 Shares (representing approximately 0.035% of the total issued Shares excluding Treasury Shares as at the Latest Practicable Date)
- (c) Exercise Price per Share : Market Price
- (d) Exercise Period : Exercisable at any time after the first anniversary of the Date of Grant and up to the fifth anniversary of the Date of Grant

8. Proposed Grant of Options under the Option Scheme to Mdm Chua Soh Har, a Controlling Shareholder

That subject to and contingent upon the passing of Ordinary Resolutions 1, 2 and 4, the proposed offer and grant to Mdm Chua Soh Har, a Controlling Shareholder, of Options pursuant to and in accordance with the Rules of the Option Scheme on the following terms, be and is hereby approved, and the Directors be and are hereby authorized to allot and issue Shares upon the exercise of such Options:-

- (a) Proposed Date of Grant of Options : Within one month after the date of the EGM
- (b) Number of Shares comprised in the proposed Options : 200,000 Shares (representing approximately 0.023% of the total issued Shares excluding Treasury Shares as at the Latest Practicable Date)
- (c) Exercise Price per Share : Market Price
- (d) Exercise Period : Exercisable at any time after the first anniversary of the Date of Grant and up to the fifth anniversary of the Date of Grant

NOTICE OF EXTRAORDINARY GENERAL MEETING

9. Proposed Grant of Options under the Option Scheme to Ms Wu Xiuyi, an Associate of Mr Wu Hsioh Kwang

That subject to and contingent upon the passing of Ordinary Resolutions 1, 2 and 5, the proposed offer and grant to Ms Wu Xiuyi, an Associate of Mr Wu Hsioh Kwang, of Options pursuant to and in accordance with the Rules of the Option Scheme on the following terms, be and is hereby approved, and the Directors be and are hereby authorized to allot and issue Shares upon the exercise of such Options:-

- (a) Proposed Date of Grant of Options : Within one month after the date of the EGM
- (b) Number of Shares comprised in the proposed Options : 300,000 Shares (representing approximately 0.035% of the total issued Shares excluding Treasury Shares as at the Latest Practicable Date)
- (c) Exercise Price per Share : Market Price
- (d) Exercise Period : Exercisable at any time after the first anniversary of the Date of Grant and up to the fifth anniversary of the Date of Grant

10. Proposed Grant of Options under the Option Scheme to Mr Wu Xiuzhuan, an Associate of Mr Wu Hsioh Kwang

That subject to and contingent upon the passing of Ordinary Resolutions 1, 2 and 6, the proposed offer and grant to Mr Wu Xiuzhuan, an Associate of Mr Wu Hsioh Kwang, of Options pursuant to and in accordance with the Rules of the Option Scheme on the following terms, be and is hereby approved, and the Directors be and are hereby authorized to allot and issue Shares upon the exercise of such Options:-

- (a) Proposed Date of Grant of Options : Within one month after the date of the EGM
- (b) Number of Shares comprised in the proposed Options : 300,000 Shares (representing approximately 0.035% of the total issued Shares excluding Treasury Shares as at the Latest Practicable Date)
- (c) Exercise Price per Share : Market Price
- (d) Exercise Period : Exercisable at any time after the first anniversary of the Date of Grant and up to the fifth anniversary of the Date of Grant

By Order of the Board
STRACO CORPORATION LIMITED

Lotus Isabella Lim Mei Hua
Company Secretary

Singapore
8 April 2024

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:-

1. A member of the Company (other than a member who is a relevant intermediary as defined in Note 2 below) shall not be entitled to appoint more than two proxies to attend and vote at the Extraordinary General Meeting on his behalf. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy needs not be a member of the Company.
2. Pursuant to Section 181 of the Act, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at the Extraordinary General Meeting. A relevant intermediary is either:
 - (a) a banking corporation licensed under the Banking Act 1970 of Singapore or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
 - (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act and holds shares in that capacity; or
 - (c) the Central Provident Fund (“CPF”) Board established by the Central Provident Fund Act, in respect of shares purchased on behalf of CPF investors.A proxy needs not be a member of the Company.
3. The instrument appointing a proxy(ies) shall, in the case of an individual, be signed by the appointor or his attorney, and in case of a corporation, shall be either under the common seal or signed by its attorney or an authorised officer on behalf of the corporation.
4. The instrument appointing proxy(ies) 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 at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or
 - (b) if submitted electronically, be submitted via email to the Company’s Share Registrar at sg.is.proxy@sg.tricorglobal.com,in each case, not less than 72 hours before the time appointed for holding the Extraordinary General Meeting.

PERSONAL DATA POLICY

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

STRACO CORPORATION LIMITED

Registration Number: 200203482R
(Incorporated in the Republic of Singapore)

PROXY FORM

EXTRAORDINARY GENERAL MEETING

IMPORTANT

1. Pursuant to Section 181(1C) of the Companies Act 1967, Relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF or SRS investors who wish to appoint the Chairman of the Extraordinary General Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 pm on 17 April 2024.
3. CPF investors are requested to contact their respective Agent Banks for any queries that they may have with regard to their appointment as proxies

* I / We, _____ (Name) _____ (NRIC/Passport no.)
of _____ (Address)

being * a member / members of Straco Corporation Limited (the “**Company**”), hereby appoint:

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

And/or (delete as appropriate)

--	--	--	--	--	--

as my/our proxy to vote for me/us at the Extraordinary General Meeting of the Company to be held at 30 Raffles Avenue, #03-01 Singapore Flyer, Singapore 039803 on 29 April 2024 at 10.30 a.m. (or immediately after the conclusion of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place), and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the Extraordinary General Meeting as indicated below.

No.	Ordinary Resolutions	For	Against	Abstain
1	Resolution 1 To approve the proposed adoption of the Straco Share Option Scheme 2024 (the “ Option Scheme ”).			
2	Resolution 2 To approve the offer and grant of options at a discount under the Option Scheme.			
3	Resolution 3 To approve the participation of Mr Wu Hsioh Kwang in the Option Scheme.			
4	Resolution 4 To approve the participation of Mdm Chua Soh Har in the Option Scheme.			
5	Resolution 5 To approve the participation of Ms Wu Xiuyi in the Option Scheme.			
6	Resolution 6 To approve the participation of Mr Wu Xiuzhuan in the Option Scheme.			
7	Resolution 7 To approve the proposed grant of options under the Option Scheme of 300,000 Shares to a Controlling Shareholder, Mr Wu Hsioh Kwang.			
8	Resolution 8 To approve the proposed grant of options under the Option Scheme of 200,000 Shares to Mdm Chua Soh Har, a Controlling Shareholder.			
9	Resolution 9 To approve the proposed grant of options under the Option Scheme of 300,000 Shares to Ms Wu Xiuyi, an Associate of a Controlling Shareholder.			
10	Resolution 10 To approve the proposed grant of options under the Option Scheme of 300,000 Shares to Mr Wu Xiuzhuan, an Associate of a Controlling Shareholder.			

Note: Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes “For” or “Against” a resolution, please indicate with a tick (✓) in the “For” or “Against” box provided in respect of that resolution. Alternatively, please insert the relevant number of shares “For” or “Against” in the “For” or “Against” box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with a tick (✓) in the “Abstain” box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the “Abstain” box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deems fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the Extraordinary General Meeting

Dated this ____ day of _____ 2024

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

Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



Notes to Proxy Form:-

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of his shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this Proxy Form as invalid.
 - (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.
2. A proxy need not be a member of the Company.
 3. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
 4. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
 5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act 1967 of Singapore.
 6. The instrument appointing a proxy(ies) 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 9 Raffles Place, #26-01, Republic Plaza, Singapore 048619; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com,in each case, not less than 72 hours before the time appointed for holding the Extraordinary General Meeting.
 7. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act 1967 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
 8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Extraordinary General Meeting as certified by The Central Depository (Pte) Limited to the Company.
 9. A Depositor shall not be regarded as a member of the Company entitled to attend the Extraordinary General Meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Extraordinary General Meeting.
 10. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing (a) proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 8 April 2024.

AFFIX
STAMP

The Share Registrar of
STRACO CORPORATION LIMITED
c/o Tricor Barbinder Share Registration Services
9 Raffles Place, #26-01, Republic Plaza
Singapore 048619