

Circular dated 9 April 2024

This Circular is important and requires your immediate attention. Please read it carefully.

If you are in doubt about its contents or the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other independent professional adviser immediately.

If you have sold or transferred all your ordinary shares in the share capital of Huationg Global Limited (the “**Company**”) held through The Central Depository (Pte) Limited (the “**CDP**”), you need not forward this Circular, the Notice of Extraordinary General Meeting (“**Notice of EGM**”) and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Notice of EGM, accompanying Proxy Form, and Request Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward the Notice of EGM, accompanying Proxy Form, and Request Form to the purchaser or transferee, or the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. You should also inform the purchaser or transferee, or bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser, that this Circular, together with the Notice of EGM, accompanying Proxy Form, and Request Form are available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and the website of the Company at the URL <https://huationg.listedcompany.com/>. In accordance with the Company’s constitution, a printed copy of this Circular will NOT be despatched to Shareholders.

This Circular has been prepared by the Company and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”) for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. This Circular has not been examined or approved by the SGX-ST. The SGX-ST has not considered the merits of the contents expressed in this Circular. The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

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Huationg Global Limited

(Incorporated in the Republic of Singapore)
(Company Registration Number 201422395Z)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) **THE PROPOSED ADOPTION OF THE 2024 HUATIONG GLOBAL LIMITED EMPLOYEE SHARE OPTION SCHEME**
- (2) **THE PROPOSED ADOPTION OF THE 2024 HUATIONG GLOBAL LIMITED PERFORMANCE SHARE PLAN**

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DEFINITIONS

In this Circular, the following Definitions apply throughout unless the context requires otherwise or unless otherwise stated.

“2014 Huatong ESOS”	:	The 2014 Huatong Global Limited Employee Share Option Scheme adopted on 18 November 2014
“2014 Huatong PSP”	:	The 2014 Huatong Global Limited Performance Share Plan adopted on 18 November 2014
“2024 Huatong ESOS”	:	The 2024 Huatong Global Limited Employee Share Option Scheme as proposed to be adopted at the upcoming EGM in 2024
“2024 Huatong PSP”	:	The 2024 Huatong Global Limited Performance Share Plan as proposed to be renewed at the upcoming EGM in 2024
“2024 Huatong ESOS Rules”	:	The rules of the 2024 Huatong ESOS as set out in Appendix A to this Circular and as may be amended or modified from time to time
“2024 Huatong PSP Rules”	:	The rules of the 2024 Huatong PSP as set out in Appendix B to this Circular and as may be amended or modified from time to time
“Administration Committee”	:	A committee comprising of members of both the Nominating Committee and the Remuneration Committee of the Company, who will collectively administer the 2024 Huatong ESOS
“associate”	:	(a) In relation to any individual, including a director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (b) In relation to a substantial shareholder or 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
“Award”	:	A contingent award of Shares under the 2024 Huatong PSP
“Award Shares”	:	The Shares which may be allotted or issued, or transferred from treasury, from time to time to a Plan Participant pursuant to the vesting of the Awards granted under the 2024 Huatong PSP

DEFINITIONS

“Board” or “Board of Directors”	:	The board of directors of the Company as at the date of this Circular or from time to time, as the case may be
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, supplemented or modified from time to time
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This Circular to Shareholders dated 9 April 2024 in respect of the Proposed Adoption of the 2024 Huationg ESOS and the Proposed Adoption of the 2024 Huationg PSP
“Company”	:	Huationg Global Limited
“Constitution”	:	The constitution of the Company, as amended or modified from time to time
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in a company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over a company
“Director”	:	A director of the Company as at the date of this Circular or from time to time, as the case may be
“EGM”	:	The upcoming extraordinary general meeting of the Company to be held on 26 April 2024
“EPS/(LPS)”	:	Earnings/(loss) per Share
“Exercise Price”	:	The price at which a Scheme Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with the 2024 Huationg ESOS
“Grant Date” or “Date of Grant”	:	In relation to an Award or an Option, the date on which the Award or Option is granted, as the case may be
“Group”	:	The Company and its subsidiaries collectively
“Group Employee”	:	An employee of the Group
“Group Executive Director”	:	A director of the Group, who performs an executive function
“Independent Director”	:	An independent director of the Group
“Latest Practicable Date”	:	3 April 2024, being the latest practicable date prior to the issue of this Circular
“Market Day”	:	A day on which the SGX-ST is open for trading in securities

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“Market Price”	:	A price equal to the average of the closing market prices of the Shares over 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 were not traded on the SGX-ST, the closing market price for the Shares on such Market Day shall be deemed to be the closing Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
“Group Non-Executive Director”	:	A director of the Group who does not perform an executive function, including an Independent Director, as the case may be
“Notice of EGM”	:	The notice of EGM dated 9 April 2024
“NTA”	:	Net tangible assets
“Option”	:	The right to subscribe for Shares granted or to be granted to a Scheme Participant pursuant to the 2024 Huationg ESOS
“Ordinary Resolution”	:	The ordinary resolution as set out in the Notice of EGM
“Performance Condition”	:	In relation to performance-related Award, the condition specified on the Grant Date in relation to that Award
“Plan Committee”	:	The Nominating Committee and Remuneration Committee of the Company, or such other committee comprising Directors duly authorised and appointed by the Board to administer the 2024 Huationg PSP
“Plan Participant”	:	The person(s) who has been granted an Award pursuant to the 2024 Huationg PSP
“Proposed Adoption of the 2024 Huationg PSP”	:	Has the meaning ascribed to it in Section 2.1.1 of this Circular
“Proposed Adoption of the 2024 Huationg ESOS”	:	Has the meaning ascribed to it in Section 1.1.1 of this Circular
“Scheme Participant”	:	The person(s) who has been granted an Option pursuant to the 2024 Huationg ESOS
“Securities Accounts”	:	The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
“SFRS(I) 2”	:	The Singapore Financial Reporting Standard (International) 2 – Share-based Payment
“SGX-ST” or “SGX”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited

DEFINITIONS

“Shares”	:	Ordinary shares in the share capital of the Company
“Sponsor”	:	PrimePartners Corporate Finance Pte. Ltd.
“Substantial Shareholder”	:	A person who has an interest or interests in one or more voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
“treasury shares”	:	Has the meaning ascribed to it in Section 4 of the Companies Act
“S\$” and “Singapore cents”	:	Singapore dollars and cents respectively, the lawful currency of Singapore
“%”	:	Per centum or percentage

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. A “**person**” shall, where applicable, include corporations.

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

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

CIRCULAR TO SHAREHOLDERS

1. THE PROPOSED ADOPTION OF THE 2024 HUATIONG ESOS

1.1 Introduction

1.1.1 General

The Board refers to Ordinary Resolution 1 and 2 of the Notice of EGM to be proposed at the EGM to seek Shareholders' approval for the adoption of the 2024 Huatong Global Limited Employee Share Option Scheme (the "**Proposed Adoption of the 2024 Huatong ESOS**").

The Company has appointed Shook Lin & Bok LLP as the legal adviser to the Company for the Proposed Adoption of the 2024 Huatong ESOS and the 2024 Huatong PSP, details of which are set out in Section 2 below.

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the Proposed Adoption of the 2024 Huatong ESOS and the 2024 Huatong PSP.

The Company's Huatong Global Limited Employee Share Option Scheme (i.e., the 2014 Huatong ESOS) was adopted on 18 November 2014. As the 2014 Huatong ESOS is expiring on 17 November 2024, the Company is proposing to adopt a new employee share option scheme, the 2024 Huatong Global Limited Employee Share Option Scheme (the "**2024 Huatong ESOS**"), on substantially the same terms as the 2014 Huatong ESOS. The 2024 Huatong ESOS shall come into effect immediately after the expiry of the 2014 Huatong ESOS on 17 November 2024.

In general, Group Employees, Group Executive Directors and Group Non-Executive Directors (including Independent Directors) shall be eligible to participate in the 2024 Huatong ESOS. Controlling Shareholders and their associates shall also be eligible to participate. All participation is subject to the rules of the 2024 Huatong ESOS (the "**2024 Huatong ESOS Rules**") set out in **Appendix A** of this Circular.

The Company will make the necessary application(s) for the listing and quotation of the new Shares to be issued pursuant to the 2024 Huatong ESOS upon obtaining shareholders' approval of the 2024 Huatong ESOS at the EGM. The relevant conditions of the in-principle approval of the SGX-ST to be sought by the Company through the Sponsor shall be disclosed in the announcement on the receipt of the listing and quotation notice.

1.1.2 The 2014 Huatong ESOS

The 2014 Huatong ESOS was adopted on 18 November 2014. Further details of the 2014 Huatong ESOS can be found in the Company's offer document dated 1 December 2014.

From the adoption of the 2014 Huatong ESOS on 18 November 2014 to the date of this Circular, no Options were granted under the 2014 Huatong ESOS. Accordingly, no Options were granted to Directors, Controlling Shareholders and their associates.

1.2 Rationale for the 2024 Huatong ESOS

The Company hopes to create a long-term share incentive scheme that can provide the Company with greater flexibility in tailoring reward and incentive packages for suitable Group Employees, Group Executive Directors, Group Non-Executive Directors (including the Independent Directors), and those who are also Controlling Shareholders and their associates, and to better align the interests of such persons to those of Shareholders by allowing Scheme Participants whose contributions were important to the long-term growth of the Company to participate in the equity of the Company.

The 2024 Huatong ESOS is a share incentive scheme. The purpose of the 2024 Huatong ESOS is to allow eligible Group Employees, Group Executive Directors, Group Non-Executive Directors (including the Independent Directors) and those who are also Controlling Shareholders and their associates who have contributed significantly to the growth and development of the Group to have a personal stake in the Company. The 2024 Huatong ESOS will give the Company the flexibility

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in relation to the Group's remuneration packages and allow the Group to better manage its fixed overheads. The 2024 Huationg ESOS is intended to be employed by the Group to help to retain and motivate eligible Scheme Participants and will help to achieve the following objectives:

- (a) to motivate Scheme Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instil loyalty to, and a stronger identification by Scheme 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 the Shareholders; and
- (e) to align the interests of Scheme Participants with the interests of the Shareholders.

1.3 Overview of the 2024 Huationg ESOS

The 2024 Huationg PSP operates on substantially the same mechanisms and features of the 2014 Huationg PSP. The 2024 Huationg ESOS Rules are in compliance with the Catalist Rules relating to share schemes. The 2024 Huationg ESOS Rules are set out in **Appendix A** to this Circular.

1.3.1 Eligibility

The following persons shall be entitled to participate in the 2024 Huationg ESOS:

- (a) confirmed Group Employees;
- (b) Group Executive Directors;
- (c) Group Non-Executive Directors(including Independent Directors); and
- (d) Controlling Shareholders and their associates.

Scheme Participants must have attained the age of 21 years on or before the Date of Grant, are not undischarged bankrupts and have not entered into a composition with their respective creditors to be eligible.

The Company's Independent Director, Gn Jong Yuh Gwendolyn, has declined to be considered for participation in the 2024 Huationg ESOS, even though she is eligible.

1.3.2 Administration of the 2024 Huationg ESOS and Role and Composition of the Administration Committee

The 2024 Huationg ESOS shall be administered by a committee comprising of members of both the Nominating Committee and the Remuneration Committee (collectively, the "**Administration Committee**"), with powers to determine, *inter alia*, the following:

- (a) persons to be granted Options;
- (b) number of Options to be offered; and
- (c) recommendations for modifications to the 2024 Huationg ESOS.

However, in compliance with the requirement of the Catalist Rules, a Scheme Participant of the 2024 Huationg ESOS who is a member of the Administration Committee will not be involved in any deliberation or decision in respect of Options to be granted to him or her and shall abstain from voting.

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1.3.3 Size of the 2024 Huatong ESOS

The total number of Shares over which the Administration Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of all Options granted under the 2024 Huatong ESOS and any other share schemes of the Company, shall not exceed 15.0% of the number of issued Shares (including treasury shares, as defined in the Companies Act) on the day immediately preceding the relevant Date of Grant.

The aggregate number of Shares which may be issued or transferred pursuant to Options granted under the 2024 Huatong ESOS to all Scheme Participants who are Controlling Shareholders and their associates shall not exceed 25.0% of the Shares available under the 2024 Huatong ESOS and such other share-based incentive schemes of the Company. The aggregate number of Shares which may be issued or transferred pursuant to Options granted under the 2024 Huatong ESOS to each Scheme Participant who is a Controlling Shareholder or his associate shall not exceed 10.0% of the Shares available under the 2024 Huatong ESOS and such other share-based incentive schemes of the Company.

The Directors believe that this limit gives the Company sufficient flexibility to decide upon the number of Options and Shares to offer to the Scheme Participants under the 2024 Huatong ESOS. The number of eligible Scheme Participants is expected to grow over the years. The Company, in line with its goals of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of its talent pool which may involve employing new employees. As a result, the employee base and the number of eligible Scheme Participants will increase. The number of Options offered must also be significant enough to serve as a meaningful reward for an employee's contribution to the Group. The Administration Committee shall exercise its discretion in deciding the number of Shares to be granted to each employee under the Share Option Scheme which will depend on the performance and value of the employee to the Group. For the avoidance of doubt, the Administration Committee may grant a fewer number of Options under the 2024 Huatong ESOS than the 15.0% limit permitted under the 2024 Huatong ESOS and any other share schemes of the Company.

By way of illustration, as at the Latest Practicable Date, the Company's total issued share capital comprised 177,239,600 Shares and there were no treasury shares and subsidiary holdings. Based on this, the maximum number of Shares that the Company may make available under the 2024 Huatong ESOS and any other share schemes of the Company is 26,585,940 Shares, i.e. 15.0% of 177,239,600 Shares.

1.3.4 Options entitlements

The number of Option Shares to be offered to a Scheme Participant shall be determined by the Administration Committee, in their absolute discretion. The Administration Committee shall consider criteria such as rank and responsibilities within the Group, performance, years of service/appointment and potential for future development of that Scheme Participant and the performance of the Company.

1.3.5 Exercise Price and Exercise Period

Subject to any adjustment pursuant to Rule 12 of the 2024 Huatong ESOS Rules, the Exercise Price for each Share in respect of which an Option is exercisable shall be payable upon the exercise of the Option and shall be determined by the Administration Committee in its absolute discretion, on the Date of Grant, and fixed by the Administration Committee at:

- (a) the Market Price (the "**Market Price Option**"). Market Price Options may be exercised after the first anniversary of the Date of Grant and expire on the tenth anniversary of such Date of Grant; or
- (b) a discount to the Market Price (the "**Incentive Option**"), provided that:
 - (i) the maximum discount shall not exceed 20.0% of the Market Price (or such other percentage or amount as may be determined by the Administration Committee and permitted by the SGX-ST); and

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- (ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Huatong 2024 Employee Share Option Scheme at a discount not exceeding the maximum discount as aforesaid,

in which event, such Options may be exercised after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant.

The ability to offer Options to Scheme Participants of the 2024 Huatong ESOS with exercise prices set at a discount to the prevailing market prices of the Shares will operate as a means to recognise the performance of Scheme Participants. This would motivate them to continue to excel while encouraging them to focus more on improving the performance of the Group as a whole, which will benefit all Shareholders when these are eventually reflected through share price appreciation. Incentive Options would be perceived in a more positive light by the Scheme Participants, inspiring them to work hard and produce results in order to be offered Incentive Options, as only employees who have made outstanding contributions to the success and development of the Group would be granted Incentive Options.

The flexibility to grant Options with discounted prices is also intended to cater to situations where the stock market performance has overrun the general market conditions. In such events, the Administration Committee will have absolute discretion to:

- (a) grant Options set at a discount to Market Price of a Share (subject to a maximum limit of 20.0%); and
- (b) determine the Scheme Participants to whom, and the Options to which, such reduction in exercise prices will apply.

In determining whether to give a discount and the quantum of the discount, the Administration Committee shall be at liberty to consider factors including the performance of the Company, the Group, the performance of the Scheme Participant concerned, the contribution of the Scheme Participant to the success and development of the Group and the prevailing market conditions. The Administration Committee will determine on a case-by-case basis whether a discount will be given, and if so, the quantum of the discount, taking into account the objective that is desired to be achieved by the Company and the prevailing market conditions. As the actual discount given will depend on the relevant circumstances, the extent of the discount may vary from one case to another, and from time to time, subject to a maximum discount of 20.0% of the Market Price. The discretion to grant Incentive Options will, however, be used judiciously.

It is envisaged that the Company may consider granting the Incentive Options under circumstances including (but not limited to) the following:

- (a) where, due to speculative forces in the stock market resulting in an overrun of the market, the market price of the Shares at the time of the grant of Incentive Options is not a true reflection of the financial performance of the Company;
- (b) to enable the Company to offer competitive remuneration packages in the event that the practice of granting Incentive Options become more significant components of executive remuneration packages, a discretion to grant Incentive Options will provide the Company with a means to maintain the competitiveness of the Group compensation strategy; and/or
- (c) where the Group needs to provide more compelling motivation for specific business units to improve their performance, grants of Incentive Options will help to align the interests of employees with those of the Shareholders by encouraging them to focus more on improving the performance of the Group as a whole, which will benefit all Shareholders when these are eventually reflected through share price appreciation. As such, Incentive Options would be perceived more positively by the employees who receive such Incentive Options.

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Such flexibility in determining the quantum of discount would enable the Administration Committee to tailor the incentives in the grant of Incentive Options to be commensurate with the performance and contribution of each individual Scheme Participant. By individually recognising the degree of performance and contribution of each Scheme Participant, the granting of Incentive Options at a commensurate discount would enable the Administration Committee to provide incentives for better performance, greater dedication and loyalty of the Scheme Participants.

The Company may also grant Market Price Options without any discount to the market price of the Shares. Additionally, the Company may, if it deems fit, impose conditions on the exercise of the Options (whether such Options are granted at the market price or at a discount to the market price), such as restricting the number of Shares for which the Option may be exercised during the initial years following its vesting.

1.3.6 Grant of Options

There are no fixed periods for the grant of Options. As such, offers of the grant of Options may be made at any time from time to time at the discretion of the Administration Committee.

However, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made after the second market day from the date on which the aforesaid announcement is made.

1.3.7 Acceptance of Options

The grant of Options shall be accepted within 30 days from the date of the offer. Offers of Options made to grantees, if not accepted before the closing date, will lapse. Upon acceptance of the offer, the grantee must pay the Company a consideration of S\$1.00.

1.3.8 Rights of Shares arising from the exercise of Options

New Shares arising from the exercise of Options, when allotted and issued shall be subject to all the provisions of the Constitution of the Company and shall rank for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant date upon which such exercise occurred, and shall in all other respects rank pari passu with other existing Shares then in issue.

1.3.9 Termination of Options

Options may lapse or be exercised earlier in circumstances which include the termination of the employment of the Scheme Participant in the Group and the parent company, the bankruptcy of the Scheme Participant, the death of the Scheme Participant, a take-over of the Company, and the winding-up of the Company.

1.3.10 Modifications to the 2024 Huatong ESOS

The 2024 Huatong ESOS may be modified and/or altered from time to time by a resolution of the Administrative Committee, subject to the compliance with the requirements of the Catalist Rules and the requirements of any other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Options granted prior to such modification or alteration except with the written consent of such number of Scheme Participants under the 2024 Huatong ESOS who, if they exercised their Options in full, would thereby become entitled to not less than 75.0% of the number of all the Shares which would fall to be allotted upon exercise in full of all outstanding Options under the 2024 Huatong ESOS.

No modification or alteration to certain rules of the 2024 Huatong ESOS which would be to the advantage of Scheme Participants under the 2024 Huatong ESOS, such as the repricing of the exercise price of the Options and the replacement of existing Options, shall be made except with the prior approval of Shareholders in general meeting.

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1.3.11 Adjustment Events

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

- (a) the Exercise Price for the Shares, class and/or number of Shares comprised in an Option to the extent unexercised; and/or
- (b) the class and/or number of Shares over which additional Options may be granted under the 2024 Huatong ESOS,

may be adjusted in such manner as the Administration 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. Any adjustment, except in relation to a capitalisation issue, must be confirmed in writing by the Auditors of the Company for the time being (acting only as experts and not as arbitrators), to be in their opinion, fair and reasonable.

Unless the Administration Committee considers an adjustment to be appropriate, the following (whether singly or in combination) shall not be regarded as events requiring adjustment:

- (a) any issue of securities as consideration for an acquisition or a private placement of securities; or
- (b) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) effected on SGX-ST pursuant to a share purchase mandate (or any renewal thereof) given by the shareholders of the Company in general meeting and for the time being in force; or
- (c) the issuance of new Shares on the exercise of options, warrants or other convertible instruments issued by the Company from time to time entitling the holders thereof to subscribe for new Shares in the capital of the Company,

shall not normally be regarded as a circumstance requiring adjustment.

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

Upon any adjustment made pursuant to the 2024 Huatong ESOS Rules, the Company shall notify the Scheme Participant (or his duly appointed personal representatives where applicable) in writing informing him (or his duly appointed personal representatives where applicable) of the new Exercise Price thereafter in effect and the class and/or number of new Shares thereafter comprised in the Option so far as unexercised. Any adjustment shall take effect upon such written notification being given.

1.3.12 Duration of the 2024 Huatong ESOS

The 2024 Huatong ESOS shall continue in operation for a maximum period of ten (10) years commencing on the date on which the 2024 Huatong ESOS is adopted by the Company in general meeting, provided that the 2024 Huatong ESOS may continue for any further period thereafter with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

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1.4 Disclosure in Annual Report

The Company shall make the following disclosures in its annual report to Shareholders for the duration of the 2024 Huationg ESOS:

- (a) the names of the members of the Administration Committee;
- (b) the information in the table below for:
 - (i) Scheme Participants who are Directors; and
 - (ii) Scheme Participants who are Controlling Shareholders and their associates; and
 - (iii) Participants other than those in (a) and (b) above, who receive Options comprising 5% or more of the aggregate of the total number of Shares available under the 2024 Huationg ESOS,

Name of Scheme Participant	Options granted during the financial year under review (Including terms)	Aggregate Options granted since commencement of 2024 Huationg ESOS to end of financial year under review	Aggregate Options exercised since commencement of 2024 Huationg ESOS to end of financial year under review	Aggregate Options outstanding as at end of financial year under review
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- (c) In respect of Options granted to directors and employees of the parent company and its subsidiaries:
 - (i) the names of and number and terms of options granted to each director or employee of the parent company and its subsidiaries who receives 5% or more of the total number of options available to all directors and employees of the parent company and its subsidiaries under the 2024 Huationg ESOS, during the financial year under review; and
 - (ii) the aggregate number of options granted to the directors and employees of the parent company and its subsidiaries for the financial year under review, and since the commencement of the scheme to the end of the financial year under review.
- (d) the number and proportion of Options granted at a discount during the financial year under review in respect of every 10% discount range, up to the maximum quantum of discount granted; and
- (e) if any of the above is not applicable, an appropriate negative statement must be included.

1.5 Financial Effects of the 2024 Huationg ESOS

Details of the costs to the Company of granting Options under the 2024 Huationg ESOS are as follows:

1.5.1 Share Capital

The 2024 Huationg ESOS will result in an increase in the number of issued Shares (excluding treasury shares and subsidiary holdings) and the issued share capital of the Company (excluding treasury shares and subsidiary holdings) to the extent of the new Shares that will be allotted and issued pursuant to the exercise of the options granted under the 2024 Huationg ESOS. The exact quantum of the increase would depend on, *inter alia*, the number of Shares comprised in the Options granted, the number of Options that are accepted and exercised and the Exercise Price of the Shares comprised in the Options.

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1.5.2 EPS

The 2024 Huationg ESOS will have a dilutive impact on the Company's consolidated EPS after the increase in the Company's number of issued Shares (excluding treasury shares and subsidiary holdings) to the extent that new Shares are allotted and issued upon the exercise of the Options.

1.5.3 NTA

When new Shares are issued under the 2024 Huationg ESOS, there would be no effect on the NTA. However, if instead of issuing new Shares to the Scheme Participants under the 2024 Huationg ESOS, existing Shares are purchased as treasury shares and delivered to Scheme Participants, the NTA would be impacted by the costs of the Shares purchased.

1.5.4 Potential Costs of Options

SFRS(I) 2 relating to share-based payments has taken effect for all listed companies since the beginning of 1 January 2018 with the latest version updated for the annual reporting period beginning on 1 January 2023. Under SFRS(I) (2), the recognition of an expense in respect of Options granted under the 2024 Huationg ESOS is required. The expense will be based on the fair value of the Options at each date of grant of the Options and will be recognised over the Exercise Period. This fair value is normally estimated by applying the option pricing mode 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 change to the Company's consolidated income statement over the Exercise Period, with corresponding credit to the Company's reserve account.

Before the end of the Exercise Period and at the end of each accounting year, the estimate of the number of Options that are expected to vest in each Scheme Participant by the exercise date is revised, and the impact of the revised estimate is recognized in the consolidated income statement with a corresponding adjustment to the Company's reserve account. After the exercise date, no adjustment of the charge to the consolidated income statement is made.

1.5.5 Dilutive Impact

It is expected that any dilutive impact of the 2024 Huationg ESOS on the NTA and EPS would not be significant.

1.6 **Rationale for including Group Employees (including Group Executive Directors) in the 2024 Huationg ESOS**

The extension of the Share Option Scheme to employees of the Group allows the Company to have a fair and equitable system to reward Directors and Employees of the Company and/or subsidiaries who have made and who continue to make significant contributions to the long-term growth of the Group.

The Company believes that the grant of Options to the employees of the Group will enable the Company to attract, retain and provide incentives to its Scheme Participants to produce higher standards of performance as well as encourage greater dedication and loyalty to the Group. This would enable the Company to give recognition to past contributions and services as well as motivating Scheme Participants generally to contribute towards the long-term growth of the Group.

1.7 **Rationale for including Group Non-Executive Directors (including Independent Directors) in the 2024 Huationg ESOS**

Although Group Non-Executive Directors (including Independent Directors) are not involved in the day-to-day running of the the Group's operations, they play an invaluable role in furthering the business interests of the Group by contributing their experience and expertise. The participation by Group Non-Executive Directors (including Independent Directors) in the 2024 Huationg ESOS will provide the Company with a further avenue to acknowledge and recognise their services and contributions to the Group 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 instance, Group Non-Executive Directors (including Independent Directors) may bring strategic or other value to the

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Company and the Group which may be difficult to quantify in monetary terms. The grant of Options to Group Non-Executive Directors (including Independent Directors) will allow the Company to attract and retain experienced and qualified persons from different professional backgrounds to join the Company and the Group as Group Non-Executive Directors and/or Independent Directors, and to motivate the existing Group Non-Executive Directors (including Independent Directors) to take extra efforts to promote the interests of the Company and/or the Group.

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

As a safeguard against abuse and to minimize any potential conflict of interests, the Company intends to grant only a nominal number of Options under the 2024 Huatong ESOS to such Group Non-Executive Directors and/or Independent Directors. Furthermore, in the event that any conflict of interests arises in any matter(s) to be decided by the Board, the conflicted Group Non-Executive Director (including an Independent Director) will abstain from making any recommendation as a Director on such matter(s), and the Company shall procure that the relevant Group Non-Executive Director and/or Independent Director abstain from voting on such matter(s) at the Board meeting.

1.8 Rationale for including Controlling Shareholders or Associates of Controlling Shareholders in the 2024 Huatong ESOS

The Group Employees (including Group Executive Directors) and Group Non-Executive Directors who are also Controlling Shareholders and/or their associates shall be eligible to participate in the 2024 Huatong ESOS if (a) their participation in the 2024 Huatong ESOS and (b) the actual number and terms of the Options to be granted to them have been approved by independent shareholders of the Company in separate resolutions for each such person.

The Company's intention is for Group Employees (including Group Executive Directors) and Group Non-Executive Directors who are also Controlling Shareholders and/or their associates to be remunerated for their contribution to the Group on the same basis as other employees and/or directors.

The Controlling Shareholders and associates shall be treated equally as per other Scheme Participants for the purposes of the 2024 Huatong ESOS. Accordingly, the Huatong ESOS should not unduly favour Controlling Shareholders, and the terms and conditions of the Huatong ESOS do not differentiate between the Controlling Shareholders and associates from other Scheme Participants in determining the eligibility of such persons to participate in the Huatong ESOS and be granted Options thereunder. As such, the Controlling Shareholders and their associates would be subject to the same rules as those applicable to other Scheme Participants. In this manner, the Huatong ESOS do not unduly favour Controlling Shareholders and their associates over other Scheme Participants.

1.9 Approvals

The adoption of the 2024 Huatong Share Option Scheme by the Company is subject to the approval of Shareholders by ordinary resolution at the upcoming EGM, as well as SGX-ST granting approval for the listing and quotation for all the new Shares on the Official List of the SGX-ST.

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2. THE PROPOSED ADOPTION OF THE 2024 HUATIONG PSP

2.1 Introduction

2.1.1 General

The Board refers to Ordinary Resolution 3 of the Notice of EGM to be proposed at the EGM to seek Shareholders' approval for the adoption of the 2024 Huatong Global Limited Performance Share Plan (the "**Proposed Adoption of the 2024 Huatong PSP**").

The Company's Huatong Global Limited Performance Share Plan (i.e., the 2014 Huatong PSP) was adopted on 18 November 2014. As the 2014 Huatong PSP is expiring on 17 November 2024, the Company is proposing to adopt a new performance share plan, the 2024 Huatong Global Limited Performance Share Plan (the "**2024 Huatong PSP**"), on substantially the same terms as the 2014 Huatong PSP. The 2024 Huatong PSP shall come into effect immediately after the expiry of the 2014 Huatong Performance Share Plan on 17 November 2024.

In general, Group Employees, Group Executive Directors and Group Non-Executive Directors (including Independent Directors) shall be eligible to participate in the 2024 Huatong PSP. Controlling Shareholders and their associates shall also be eligible to participate. All participation is subject to the rules of the 2024 Huatong PSP (the "**2024 Huatong PSP Rules**") set out in **Appendix B** of this Circular.

The Company will make the necessary application(s) for the listing and quotation of the new Shares to be issued pursuant to the 2024 Huatong PSP upon obtaining shareholders' approval of the 2024 Huatong PSP at the EGM. The relevant conditions of the in-principle approval of the SGX-ST as sought by the Company through the Sponsor shall be disclosed in the announcement on the receipt of the listing and quotation notice.

2.1.2 The 2014 Huatong PSP

The 2014 Huatong PSP was adopted on 18 November 2014. Further details of the 2014 Huatong PSP can be found in the Company's offer document dated 1 December 2014.

Pursuant to Rule 860 of the Catalist Rules, the following are the details of the Awards granted under the 2014 Huatong PSP:

Details of Options granted under the 2014 Huatong PSP	
Total number of Shares reserved	855,000
Total number of Shares allotted	855,000
Number of participants	12
Material conditions	Nil

Save as disclosed above, no other Awards were granted under the 2014 Huatong PSP and no Awards were granted to Directors, Controlling Shareholders and their associates.

2.2 Rationale for the 2024 Huatong PSP

The Company recognises that the contributions and continued dedication of the employees of the Group and Group Non-Executive Directors, and those who are also Controlling Shareholders and their associates, are critical to the future growth and development of the Group and have undertaken a review of employee remuneration and benefits to this end. The 2024 Huatong PSP is a compensation scheme that promotes higher performance goals and recognises exceptional achievement, and allows the Company to align itself better with and embrace local trends and best practices in compensation.

Unlike the Options granted under the 2024 Huatong ESOS, the 2024 Huatong PSP contemplates the award of fully-paid Shares to Plan Participants after certain pre-determined benchmarks have been met. The Company believes that the 2024 Huatong PSP will be more effective than pure cash

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bonuses (which, for the avoidance of doubt, will continue to be distributed where appropriate) in motivating Employees of the Group and Group Non-Executive Directors, and those who are also Controlling Shareholders and their associates, to work towards pre-determined goals.

The Company further believes that the 2024 Huationg PSP will complement the 2024 Huationg ESOS and serve as an additional and flexible incentive tool for the Group. With the 2024 Huationg PSP and the 2024 Huationg ESOS, the Company will be able to tailor share-based incentives according to the objectives to be achieved by combining Awards under the 2024 Huationg PSP with the grant of Options under the 2024 Huationg ESOS. In addition, it will allow the Company greater flexibility to align the interests of employees of the Group, especially key executives, with the interests of Shareholders.

With that in mind, the 2024 Huationg PSP is based on the principle of pay-for-performance and is designed to enable the Company to reward, retain and motivate Plan Participants to achieve superior performance. The objectives of the 2024 Huationg PSP are as follows:

- (a) to provide an opportunity for Plan Participants of the 2024 Huationg PSP to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organisational commitment, dedication and loyalty of Plan Participants towards the Group;
- (b) to motivate Plan Participants to strive towards performance excellence and to maintain a high level of contribution to the Group;
- (c) to give recognition to contributions made or to be made by Plan Participants by introducing a variable component into their remuneration package; and
- (d) to make employee remuneration sufficiently competitive to recruit new Plan Participants and/or to retain existing Plan Participants whose contributions are important to the long-term growth and profitability of the Group.

2.3 Overview of the 2024 Huationg PSP

2.3.1 General

The 2024 Huationg PSP operates on substantially the same mechanisms and features of the 2014 Huationg PSP. It is designed to reward its Plan Participants by the issue and/or transfer of fully-paid Shares according to the extent to which they achieve their performance targets over set performance periods, as may be determined by the Plan Committee.

Awards granted under the 2024 Huationg PSP may be time-based or performance-related, and in each instance, shall vest only:

- (a) where the Award is time-based, after the satisfactory completion of time-based service conditions, that is, after the Plan Participant has served the Group for a specified number of years (such Awards being “**time-based Awards**”); or
- (b) where the Award is performance-related, after the Plan Participant achieves a pre-determined performance target (such Awards being “**performance-related Awards**”).

A time-based Award may be granted, for example, as a supplement to the cash component of the remuneration packages of senior executive officers the Company seeks to attract and recruit. A performance-related Award may be granted, for example, with a performance target based on the successful completion of a project or the successful achievement of certain quantifiable performance targets, such as sales growth or productivity enhancement.

Performance targets set are based on short to medium-term corporate objectives including market competitiveness, quality of returns, business growth and productivity growth. These performance targets include targets set based on criteria such as shareholders’ return, return on equity and EPS.

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By working towards and achieving their own performance targets, the Plan Participants would also indirectly be assisting the Company in attaining its corporate objectives and strategic business goals.

No minimum vesting periods are prescribed under the 2024 Huationg PSP for Awards, and the length of the vesting period in respect of each Award will be determined on a case-by-case basis by the Plan Committee.

The 2024 Huationg PSP Rules are in compliance with the Catalist Rules relating to share schemes. The 2024 Huationg PSP Rules are set out in **Appendix B** to this Circular.

2.3.2 Eligibility

The following persons shall be entitled to participate in the 2024 Huationg PSP:

- (a) confirmed Group Employees;
- (b) Group Executive Directors;
- (c) Group Non-Executive Directors (including Independent Directors); and
- (d) Controlling Shareholders and their associates.

Plan Participants must have attained the age of 21 years on or before the Date of Grant, are not undischarged bankrupts and have not entered into a composition with their respective creditors to be eligible.

The Company's Independent Director, Gn Jong Yuh Gwendolyn, has declined to be considered for participation in the 2024 Huationg PSP, even though she is eligible.

2.3.3 Administration of the 2024 Huationg PSP and Role and Composition of the Plan Committee

The 2024 Huationg PSP shall be administered by the Plan Committee comprising the Nominating Committee and Remuneration Committee, which has the absolute discretion to determine persons who will be eligible to participate in the 2024 Huationg PSP. However, in compliance with the requirements of the Catalist Rules, a Plan Participant who is a member of the Plan Committee shall not be involved in any deliberation or decision in respect of Awards (as the case may be) to be granted to or held by that Plan Participant.

The Board is responsible for reviewing and approving remuneration packages of the key executives (other than Executive Directors). The Plan Committee will recommend to the Board a framework of remuneration for the Group Directors and key executives and determine specific remuneration packages for each Executive Director. The Board and Plan Committee aim to build a capable and committed management team and workforce for the Group, through focused management and progressive policies and competitive remuneration packages which can attract and retain a pool of talented executive officers to meet the current and future growth of the Group.

The Board will be responsible for:

- (a) determining the terms of grant of Awards (and variation thereof) to Plan Participants; and
- (b) the general administration of the 2024 Huationg PSP such as extension of the duration of the term of the 2024 Huationg PSP.

The Plan Committee will be responsible determining the terms of grant of Awards (and variation thereof) to the Directors. However, a Plan Participant who is a member of the Plan Committee shall not be involved in any deliberation or decision in respect of Awards (as the case may be) to be granted to or held by such member.

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2.3.4 Size of the 2024 Huationg PSP

The (a) total number of new Shares which may be issued pursuant to Awards granted on any date; and (b) total number of existing Shares which may be purchased from the market as treasury shares for delivery pursuant to Awards granted under the 2024 Huationg PSP, when added to the number of new Shares issued and issuable in respect of all Awards granted under the 2024 Huationg PSP (including the 2024 Huationg ESOS and any other share option schemes of the Company), shall not exceed 15.0% of the number of issued Shares (including treasury shares, as defined in the Companies Act) on the day preceding that Date of Grant of the relevant Awards.

The aggregate number of Shares which may be issued or transferred pursuant to Award granted under the 2024 Huationg PSP to all Plan Participants who are Controlling Shareholders and their associates shall not exceed 25.0% of the Shares available under the 2024 Huationg PSP and such other share-based incentive schemes of the Company. The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the 2024 Huationg PSP to each Plan Participant who is a Controlling Shareholder or his associate shall not exceed 10.0% of the Shares available under the 2024 Huationg PSP and such other share-based incentive schemes of the Company.

To enjoy greater flexibility in structuring remuneration and compensation packages, the Company believes that it should have a sufficient number of Shares to accommodate Awards issued under the 2024 Huationg PSP. Taking into consideration the size of the share capital of the Company as well as the number of eligible Plan Participants in the 2024 Huationg PSP, the Directors believe that such limit is necessary to accommodate the existing number of Plan Participants to whom Awards may be granted under the 2024 Huationg PSP annually over the 10-year period of the 2024 Huationg PSP so as to create a meaningful compensation for the Plan Participants' contributions. For the avoidance of doubt, the Plan Committee may grant a fewer number of Award Shares under the 2024 Huationg PSP than the 15.0% limit permitted.

By way of illustration, as at the Latest Practicable Date, the Company's total issued share capital comprised 177,239,600 Shares and there were no treasury shares and subsidiary holdings. Based on this, the maximum number of Award Shares that the Company may make available under the 2024 Huationg PSP and any other share schemes of the Company is 26,585,940 Shares, i.e. 15.0% of 177,239,600 Shares.

2.3.5 Awards entitlements

Awards represent the right of a Plan Participant to receive fully-paid Shares free of charge. Awards granted under the 2024 Huationg PSP may be time-based or performance-related as set out above.

In respect of time-based Awards, a Plan Participant is entitled to receive fully-paid Shares free of charge, upon the expiry of the prescribed vesting periods.

In the case of performance-related Awards, a Plan Participant is entitled to receive fully-paid Shares free of charge subject to certain prescribed performance targets being met.

The vesting periods of Awards (whether time-based or performance-related) will be determined by the Plan Committee and may not be subject to such time restrictions before vesting.

The selection of a Plan Participant, the type of Award (whether time-based or performance-related), the number of Award Shares to be granted to him, and the prescribed vesting period shall be determined at the absolute discretion of the Plan Committee, which shall take into account:

- (a) in respect of a participant being an employee of the Group, criteria such as his rank, job performance, potential for future development and his contribution to the success and development of the Group; and
- (b) in respect of a participant being a Group Non-Executive Director, criteria such as his/her contribution to the success and development of the Group.

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In addition, for performance-related Awards, the extent of effort required to achieve the performance target(s) within the performance period shall also be considered.

The Plan Committee shall decide, in relation to each Award (whether time-based or performance related) to be granted to a Plan Participant:

- (a) the date on which the Award is to be granted;
- (b) the number of Award Shares;
- (c) the prescribed vesting period(s); and
- (d) the extent to which Award Shares shall be released at the end of each prescribed vesting period.

In the case of performance-related Awards, the Plan Committee shall also decide on:

- (a) the prescribed performance target(s);
- (b) the performance period during which the prescribed performance target(s) are to be satisfied; and
- (c) the extent to which Award Shares shall be released on the prescribed performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period.

2.3.6 Grant of Awards

Awards may be granted at any time during the period when the 2024 Huatong PSP is in force. An Award letter confirming the Award and specifying, amongst others, in relation to a performance-related Award, the prescribed performance target(s) and the performance period during which the prescribed performance target(s) are to be satisfied, will be sent to each Plan Participant as soon as is reasonably practicable after making an Award.

The Company will have the flexibility to deliver Award Shares to Plan Participants upon the vesting of their Awards by way of:

- (a) an issue of new Shares; and/or
- (b) the purchase of existing Shares as treasury shares on behalf of the Plan Participants.

It is the intention of the Company that Award Shares will typically be delivered to Plan Participants upon the vesting of their Awards by way of an issue of new Shares. However, the Company anticipates that the Company may, in very limited circumstances, purchase existing Shares as treasury shares on behalf of the Plan Participants upon the vesting of their Awards. These circumstances include situations when the Shares are undervalued or when it otherwise makes economic sense to purchase existing Shares.

The Company will announce the following information to the SGX-ST and the public immediately upon the grant of Awards under the 2024 Huatong PSP:

- (a) total number of Plan Participants;
- (b) total number of Shares granted; and
- (c) range of number of Shares granted to each Plan Participant.

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2.3.7 Vesting and Lapsing of Awards

Shares which are the subject of:

- (a) a time-based Award shall vest upon the expiry of each vesting period in relation to such Award and the Company shall release to the relevant Plan Participant the Award Shares to which his Award relates on the vesting date; and
- (b) a performance-related Award shall be vested with a Plan Participant on the vesting date, which shall be a Market Day falling as soon as practicable after the review by the Plan Committee of the performance target(s) prescribed in respect of such Award and determine whether it has been satisfied and, if so, the extent to which it has been satisfied, and, on the vesting date, the Plan Committee will procure the allotment or transfer to each Plan Participant of the number of Award Shares so determined.

For the purposes of determining if performance target(s) in respect of performance-related Awards have been achieved, the Plan Committee has the right to make computational adjustments to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Plan Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events. The Plan Committee also has the discretion to amend the performance target(s) if the Plan Committee decides that a changed performance target would be a fairer measure of performance, or to waive the performance target where the participant has achieved a level of performance that the Plan Committee considers satisfactory notwithstanding that the performance target has not been fulfilled.

An Award, to the extent not yet Released, shall forthwith become void and cease to have effect on the occurrence of any of the following events (and in such an event, the Plan Participant shall have no claim whatsoever against the Company, its Directors or employees):

- (a) a Participant, being an employee, ceasing for any reason whatsoever, to be in the employment of the Company and/or the relevant subsidiary or in the event the company by which the Employee is employed ceases to be a company in the Group;
- (b) a Plan Participant, being a Group Non-Executive Director, ceasing to be a director of the Company and/or the relevant subsidiary, as the case may be, for any reason whatsoever;
- (c) upon the bankruptcy of the Plan Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of or interest in such Award;
- (d) ill health, injury, disability or death of a Plan Participant;
- (e) a Plan Participant commits any breach of any of the terms of his Award;
- (f) misconduct on the part of a Participant as determined by the Company in its discretion;
- (g) a take-over, winding-up or reconstruction of the Company; and/or
- (h) any other event approved by the Plan Committee.

For the purpose of (a) above, an employee shall be deemed to have ceased to be in the employment of the Company or the subsidiary (as the case may be) on the date on which he gives notice of termination of employment, unless prior to the date on which termination takes effect, the employee has (with the consent of the Company or the subsidiary (as the case may be) withdrawn such notice.

For the purpose of (b), a Plan Participant shall be deemed to have ceased to be a Group Non-Executive Director as at the date the notice of resignation of or termination of directorship, as the case may be, is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

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2.3.8 Rights of Shares arising from the exercise of Options

New Shares, when allotted and issued, and existing Shares, when transferred to the Plan Participants upon the release of Awards shall be subject to all the provisions of the Constitution of the Company and shall rank pari passu in all respects with the then existing issued Shares, save for any dividends, rights, allotments or distributions on the record date of which falls on or before the relevant vesting date of the Shares which are the subject of the Awards. For such purposes, record date means the date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions.

2.3.9 Modifications to the 2024 Huatong PSP

The 2024 Huatong PSP may be modified and/or altered from time to time by a resolution of the Board, subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the written consent of such number of Plan Participants under the 2024 Huatong PSP who, if their Awards were released to them, would thereby become entitled to not less than 75.0% of the aggregate number of all the Shares which would be issued upon exercise in full of all outstanding Awards under 2024 Huatong PSP.

No alteration shall be made to certain rules of the 2024 Huatong PSP to the advantage of the holders of the Awards, as the case may be, except with the prior approval of the Shareholders in general meeting.

2.3.10 Adjustment Events

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

- (a) the class and/or number of Award Shares to the extent not yet vested; and/or
- (b) the class and/or number of Shares over which future Awards may be granted under the 2024 Huatong PSP,

may, at the option of the Plan Committee, be adjusted in such manner as the Plan Committee may determine to be appropriate. However, any adjustment shall be made in such a way that a Plan Participant will not receive a benefit that a Shareholder does not receive.

The issue of securities as consideration for an acquisition 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 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 shall not normally be regarded as a circumstance requiring adjustment.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors to be fair and reasonable.

2.3.11 Duration of the 2024 Huatong PSP

The 2024 Huatong PSP shall continue in operation at the discretion of the Plan Committee for a maximum period of ten (10) years commencing on the date on which the 2024 Huatong PSP is adopted by the Company in general meeting, provided that the 2024 Huatong PSP may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

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2.3.12 Termination of the 2024 Huationg PSP

The 2024 Huationg PSP may be terminated at any time by the Plan Committee and by resolution of the Company in general meeting, subject to all relevant approvals which may be required being obtained. The termination of the 2024 Huationg PSP shall not affect Awards which have been granted in accordance with the 2024 Huationg PSP.

2.4 Disclosure in Annual Report

The Company shall make the following disclosures in its annual report to Shareholders for the duration of the 2024 Huationg PSP:

- (a) the names of the members of the Plan Committee;
- (b) the information in the table below for:
 - (i) Plan Participants who are Directors;
 - (ii) Plan Participants who are Controlling Shareholders and their associates; and
 - (iii) Plan Participants other than those in (a) and (b) above, who receive Awards comprising 5% or more of the aggregate of the total number of Shares available under the 2024 Huationg PSP,

Name of Plan Participant	Awards granted during the financial year under review (Including terms)	Aggregate Awards granted since commencement of 2024 Huationg PSP to end of financial year under review	Aggregate Awards released since commencement of 2024 Huationg PSP to end of financial year under review	Aggregate Awards not yet released as at end of financial year under review

- (c) such other information as may be required by the Catalist Rules, the Companies Act and all other applicable laws and requirements; and
- (d) if any of the above is not applicable, an appropriate negative statement must be included.

Plan Participants are not required to pay for the grant of any Awards to them.

2.5 Financial Effects of the 2024 Huationg PSP

Details of the costs to the Company of granting Awards under the 2024 Huationg PSP are as follows:

2.5.1 Share Capital

The 2024 Huationg PSP will result in an increase in the Company's issued share capital (excluding treasury shares and subsidiary holdings) only if new Shares are issued to Plan Participants pursuant to the Awards. This will in turn depend on, *inter alia*, the number of Awards granted and the prevailing market price of the Shares on the SGX-ST. However, if treasury shares are transferred and delivered to Plan Participants in lieu of issuing new Shares, the 2024 Huationg PSP will have no impact on the Company's issued share capital (excluding treasury shares and subsidiary holdings).

2.5.2 EPS

The Plan is likely to have a dilutive impact on the Company's consolidated EPS following the increase in the Company's number of issued Shares (excluding treasury shares and subsidiary holdings) to the extent that new Shares are allotted and issued in relation to the Awards.

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2.5.3 NTA

When new Shares are issued under the 2024 Huationg PSP, there would be no effect on the NTA. However, if instead of issuing new Shares to the Plan Participants under the 2024 Huationg PSP, existing Shares are purchased as treasury shares and delivered to Plan Participants, the NTA would be impacted by the costs of the Shares purchased.

2.5.4 Cost of Awards

The grant of any Awards under the 2024 Huationg PSP would be a share-based payment that falls under the scope of the Singapore Financial Reporting Standards (International) (in particular, the SFRS(I) 2) or such other accounting standards that are currently in force.

Under SFRS(I) 2, with respect to the Awards, as Plan Participants will receive Shares in the settlement of the Awards, the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs:

- (a) The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the consolidated income statement over the period between the Date of Grant and the vesting date of an Award. For Awards, the total amount of charge over the vesting period is determined by reference to the fair value of each Award granted at the Date of Grant and the number of Shares vested at the vesting date, with a corresponding credit to reserve account. Before the end of the vesting period, at each accounting end, the estimate of the number of Awards that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the consolidated income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to the consolidated income statement is made.
- (b) The amount charged to the income statement also depends on whether or not the performance-related condition (if any) attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. If the performance-related condition is a market condition, the probability of the performance-related condition being met is considered in estimating the fair value of the Award granted at the grant date, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met. However, if the performance-related condition is not a market condition, the fair value per Share of the Awards granted at the grant date is used to compute the amount to be charged to the income statement at each accounting date, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, where the vesting conditions do not include a market condition, there would be no cumulative charge to the income statement if the Awards do not ultimately vest.

2.5.5 Dilutive Impact

It is expected that any dilutive impact of the 2024 Huationg PSP on the NTA and EPS would not be significant.

2.6 **Rationale for including Group Employees (including Executive Directors) in the 2024 Huationg PSP**

The grant of Awards to the employees of the Group allows us to have a fair and equitable system to reward the Directors and employees of the Group who have made and who continue to make significant contributions to the long-term growth of the Group.

The Company believes that the grant of Awards to the employees of the Group will enable the Company to attract, retain and provide incentives to the Directors and employees of the Group to produce higher standards of performance as well as encourage greater dedication and loyalty by enabling the Company to give recognition to past contributions and services as well as motivating Plan Participants generally to contribute towards the long-term growth of the Group.

CIRCULAR TO SHAREHOLDERS

2.7 Rationale for including Group Non-Executive Directors (including Independent Directors) in the 2024 Huatong PSP

The Group Non-Executive Directors (including Independent Directors) come from diverse professions and working backgrounds. Although they are not involved in the day-to-day running of the Group's operations, they are able to contribute their extensive experience, knowledge, expertise and business contacts to the benefit of the Group and assist in the Group's business interests. Leveraging on their contacts, they may also be able to provide the Group with strategic or significant alliances or opportunities. The Company therefore regards the Group Non-Executive Directors (including Independent Directors) as a resource pool from which it is able to tap on business contacts, knowledge, expertise and experience.

Some of the Group Non-Executive Directors (including Independent Directors) are presently also members of the Company's Audit Committee, Remuneration Committee and Nominating Committee. Each of these committees plays an important role in the corporate governance of the Group.

Currently, the Group Non-Executive Directors (including Independent Directors) are remunerated only by way of directors' fees. Allowing the participation by the Group Non-Executive Directors (including Independent Directors) in the 2024 Huatong PSP provides the Company with a further avenue of acknowledging the services and contributions to the Group and to reward and give recognition to such services and contributions by way of remuneration comprising a combination of fees and Awards. This flexibility is important since it may not always be possible to compensate Group Non-Executive Directors (including Independent Directors) fully or appropriately by increasing the directors' fees or other forms of cash payment. Having a flexible remuneration system will enable the Company to continue to attract individuals of great ability and aptitude to serve as Group Non-Executive Directors and/or Independent Directors. In the long-term, this will help ensure the continuity of good corporate governance in the Company.

However, as the 2024 Huatong PSP is intended to cater primarily to employees of the Group who will comprise the bulk of the Plan Participants of the 2024 Huatong PSP, the Directors anticipate that Awards that may be granted to the Group Non-Executive Directors (including Independent Directors) pursuant to the 2024 Huatong PSP, would not comprise a significant portion of the shares available under the 2024 Huatong PSP. Further, in order to minimise any potential conflict of interests which may arise as a result of granting Awards to Group Non-Executive Directors (including Independent Directors) who are also members of the Audit Committee, Remuneration Committee or Nominating Committee of the Company, any grant of awards to Group Non-Executive Directors (including Independent Directors) is anticipated to be minimal, with such grants being made as a token of the Company's appreciation for their contributions to the Company and to help further align their interests with those of the Shareholders. The Group Non-Executive Directors (including Independent Directors) would generally continue to be remunerated for their services by way of directors' fees.

The Plan Committee shall act judiciously in the exercise of its discretion in respect of the grant of Awards to the Group Non-Executive Directors and/or Independent Directors. In deciding whether to grant Awards to the Non-Executive Directors (including Independent Directors), the Plan 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 Group Non-Executive Director and/or an Independent Director. The Plan Committee may also, where it considers relevant, take into account other factors such as prevailing economic conditions and the Company's performance. Furthermore, in the event that any conflict of interests arises in any matter(s) to be decided by the Board, a Group Non-Executive Director (including an Independent Director) will abstain from making any recommendation as a Director on such matter(s), and the Company shall procure that the relevant Group Non-Executive Director and/or Independent Director abstain from voting on such matter(s) at the Board meeting.

CIRCULAR TO SHAREHOLDERS

2.8 Rationale for including Controlling Shareholders or Associates of Controlling Shareholders in the 2024 Huatong PSP

The Group Employees (including Group Executive Directors) and Group Non-Executive Directors who are also Controlling Shareholders and/or their associates shall be eligible to participate in the 2024 Huatong PSP if (a) their participation in the 2024 Huatong PSP and (b) the actual number and terms of the Awards to be granted to them have been approved by independent shareholders of the Company in separate resolutions for each such person.

The Company's intention is to motivate Group Employees (including Group Executive Directors) and Group Non-Executive Directors to optimise their performance standards and efficiency and to reward them for their significant contributions with participation in the equity of the Company. To this end, Group Employees (including Group Executive Directors) and Group Non-Executive Directors who are also Controlling Shareholders and/or their associates shall be treated equally as they are important to the development and success of the Company.

The Controlling Shareholders and associates shall be treated equally for the purposes of the 2024 Huatong PSP. Accordingly, the 2024 Huatong PSP should not unduly favour Controlling Shareholders, and the terms and conditions of the 2024 Huatong PSP do not differentiate between the Controlling Shareholders and associates from other Plan Participants in determining the eligibility of such persons to participate in the 2024 Huatong PSP and be granted Awards thereunder. As such, the Controlling Shareholders and their associates would be subject to the same rules as those applicable to other Plan Participants. In this manner, the 2024 Huatong PSP do not unduly favour Controlling Shareholders and their associates over other Plan Participants.

2.9 Approvals

The adoption of the 2024 Huatong PSP by the Company is subject to the approval of Shareholders by ordinary resolution at the EGM, as well as SGX-ST granting approval for the listing and quotation for all the new Shares on the Official List of the SGX-ST.

CIRCULAR TO SHAREHOLDERS

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders, the interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed interest		Total interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors						
Mr Ng Hai Liong	–	–	121,759,600	68.70	121,759,600	68.70
Mr Ng Kian Ann Patrick	13,727,800	7.75	121,759,600	68.70	135,487,400	76.45
Mr Ng Kian Yeow, Vincent	–	–	121,759,600	68.70	121,759,600	68.70
Mr Yap Kian Peng	–	–	–	–	–	–
Mr Cheang You Kong	–	–	–	–	–	–
Mr Wee Heng Yi, Adrain	–	–	–	–	–	–
Ms Gn Jong Yuh Gwendolyn	–	–	–	–	–	–
Substantial Shareholders (other than Directors)						
–	–	–	–	–	–	–

Notes:

- (1) Based on 177,239,600 Shares in the issued and paid-up share capital of the Company, excluding treasury shares and subsidiary holdings, as at the Latest Practicable Date.

Save as disclosed in this Circular, none of the Directors and/or the Substantial Shareholders have any interest, direct or indirect, in the Proposed Adoption of the 2024 Huationg ESOS and/or the Proposed Adoption of the 2024 Huationg PSP other than through their respective shareholdings in the Company, if any.

4. DIRECTORS' RECOMMENDATIONS

As all the Directors are eligible to participate in, and are therefore interested in the 2024 Huationg ESOS and the 2024 Huationg PSP, they have refrained from making any recommendation as to how Shareholders should vote in respect of resolutions set out in the Notice of EGM.

Save as set out in this Circular, including that the Group Non-Executive Directors may participate in the 2024 Huationg ESOS and the 2024 Huationg PSP, none of the Directors has any interest, direct or indirect, in the 2024 Huationg ESOS and the 2024 Huationg PSP.

5. ABSTENTION FROM VOTING

All persons who are eligible to participate in the 2024 Huationg ESOS and/or the 2024 Huationg PSP must abstain from voting on the resolutions relating to the 2024 Huationg ESOS and the 2024 Huationg PSP respectively at the EGM, including resolutions on (a) the implementation of the 2024 Huationg ESOS and the 2024 Huationg PSP, (b) discount quantum (if applicable), and (c) participation by and option grant to Controlling Shareholders and their associates. In addition, such persons shall not accept nominations as proxies unless specific instructions have been given in the proxy instruments by the Shareholders appointing them on how they wish their votes to be cast on the resolutions relating to the 2024 Huationg ESOS and the 2024 Huationg PSP at the EGM.

CIRCULAR TO SHAREHOLDERS

The Company will disregard any votes cast on the resolutions relating to the 2024 Huatong ESOS and/or the 2024 Huatong PSP by all persons who are eligible to participate in the 2024 Huatong ESOS and/or the 2024 Huatong PSP.

6. EXTRAORDINARY GENERAL MEETING

The EGM will be held on 9 April 2024 at 3.30 p.m. (or as soon as practicable following the conclusion or adjournment of the Company's annual general meeting to be held on the same day at 2.30 p.m.) for the purpose of considering and, if thought fit, passing the ordinary resolutions set out in the Notice of EGM.

7. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote on their behalf, should complete, sign and return the proxy form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the registered office of the Company at 9 Benoi Crescent, Singapore 629972, not later than 72 hours before the time for holding the EGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting in person at the EGM in place of his proxy if he so wishes.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Adoption of the 2024 Huatong ESOS and the Proposed Adoption of the 2024 Huatong PSP, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company located at 9 Benoi Crescent, Singapore 629972 during normal business hours for three (3) months from the date of this Circular:

- (a) the Constitution of the Company;
- (b) the 2024 Huatong ESOS Rules;
- (c) the 2024 Huatong PSP Rules; and
- (d) the annual report of the Company for the financial year ended 31 December 2023.

Yours faithfully,
For and on behalf of the Board of Directors of
Huatong Global Limited

Ng Kian Ann Patrick
Executive Director and Chief Executive Officer

APPENDIX A – RULES OF THE 2024 HUATIONG GLOBAL LIMITED EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SHARE OPTION SCHEME

The Share Option Scheme shall be called the “2024 Huationg Global Limited Employee Share Option Scheme”.

2. DEFINITIONS

2.1. In the 2024 Huationg Global Limited Employee Share Option Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:-

“Administration Committee”	:	A committee comprising members of both the Nominating Committee and the Remuneration Committee of the Company, who will collectively administer the Scheme
“Adoption Date”	:	The date on which the Scheme is adopted by the Company in general meeting
“Aggregate Subscription Cost”	:	The total amount payable for Shares which may be acquired on the exercise of an Option
“associates”	:	Has the meaning ascribed to it in the Catalist Rules
“Auditors”	:	The auditors of the Company for the time being
“Board” or “Board of Directors”	:	The board of directors for the time being of the Company
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist of the SGX-ST as may be amended from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act” or “Act”	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Company”	:	Huationg Global Limited, a public company incorporated in Singapore with limited liability
“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
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15.0% or more of the number of all voting shares in a company; or (b) in fact exercises control over a company, unless otherwise determined
“CPF”	:	Central Provident Fund

APPENDIX A – RULES OF THE 2024 HUATONG GLOBAL LIMITED EMPLOYEE SHARE OPTION SCHEME

“Date of Grant”	:	The date on which an Option is granted to a Participant pursuant to Rule 6
“Director”	:	A person holding office as a director for the time being of the Company and/or its Subsidiaries, as the case may be
“Employee”	:	An employee or an Executive Director of the Group selected by the Administration Committee to participate in the Scheme
“Executive Director”	:	A director for the time being of the Company and/or any of its Subsidiaries, holding office in an executive capacity in the Company and/or such Subsidiary
“Exercise Period”	:	The period for the exercise of an Option, being a period commencing: (a) after the first anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant in the case of a Market Price Option; and (b) after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant in the case of an Incentive Option
“Exercise Price”	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 7, as adjusted in accordance with Rule 12
“Grantee”	:	A person to whom an offer of an Option is made
“Group”	:	The Company and its subsidiaries
“Incentive Option”	:	An Option granted with the Exercise Price set at a discount to the Market Price
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Price”	:	A price equal to the average of the last dealt prices for the Shares on the SGX-ST over the five consecutive Trading Days immediately preceding the Date of Grant of that Option, as determined by the Administration Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices
“Market Price Option”	:	An Option granted with the Exercise Price set at the Market Price
“Non-Executive Director”	:	A director (other than an Executive Director) from time to time of the Company and/or of its Subsidiaries

APPENDIX A – RULES OF THE 2024 HUATONG GLOBAL LIMITED EMPLOYEE SHARE OPTION SCHEME

“Option”	:	The right to subscribe for Shares granted or to be granted to an Employee pursuant to the Scheme and for the time being subsisting
“Participant”	:	The holder of an Option
“Record Date”	:	The date as at the close of business (or such other time as may have been prescribed by the Company) on which Shareholders must be registered in order to participate in the dividends, rights, allotments or other distributions (as the case may be)
“Rules”	:	Rules of the Scheme
“Scheme”	:	The 2024 Huatong Global Limited Employee Share Option Scheme, as the same may be modified or altered from time to time
“Securities Account”	:	The securities account maintained by a Depositor with the CDP
“Shares”	:	Ordinary shares in the capital of the Company
“Shareholders”	:	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGX-ST Listing Manual”	:	Listing Manual of the SGX-ST, as may be amended from time to time
“Subsidiary”	:	A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of Section 5 of the Companies Act
“Trading Day”	:	A day on which the Shares are traded on the SGX-ST
“treasury shares”	:	Has the meaning ascribed to it in Section 4 of the Companies Act
“\$” and “cents”	:	Singapore dollars and cents respectively
“%” or “per cent.”	:	Per centum or percentage

2.2. The terms “Depositor”, “Depository Register” and “Depository Agent” shall have the meanings ascribed to them, respectively, by Section 81F of the Securities and Futures Act 2001 of Singapore or any statutory modification thereof, as the case may be.

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

APPENDIX A – RULES OF THE 2024 HUATONG GLOBAL LIMITED EMPLOYEE SHARE OPTION SCHEME

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

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

3. OBJECTIVES OF THE SCHEME

3.1. The Scheme is a share incentive plan. The Scheme is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding Employees who have contributed to the growth of the Group.

3.2. The objectives of the Scheme are as follows:

- (a) the motivation of each Participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) the retention of key employees of the Group whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instil loyalty to, and a stronger identification by the Participants with the long-term prosperity of, the Company;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders of the Company; and
- (e) to align the interests of the Participants with the interests of the Shareholders.

4. ELIGIBILITY OF PARTICIPANTS

4.1. The Employee's eligibility to participate in the Scheme shall be at the absolute discretion of the Administration Committee. Such person must:

- (a) be confirmed in his/her employment with the Group;
- (b) have attained the age of 21 years on or before the Date of Grant;
- (c) not be an undischarged bankrupt and must not have entered into a composition with his creditors; and
- (d) Controlling Shareholders and their associates.

4.2. Non-Executive Directors who satisfy the eligibility requirements in Rule 4.1(b) and (c) shall also be eligible to participate in the Scheme.

4.3. Persons who are Controlling Shareholders and their associates who satisfy the criteria set out in Rule 4.1 above shall be eligible to participate in the Scheme, at the absolute discretion of the Administration Committee, provided that:

- (a) written justification has been provided to Shareholders for such person's participation at the introduction of the Scheme or prior to the first grant of Options to him;
- (b) (i) the participation by each such person, and (ii) the actual number and terms of any Options to be granted to each such person have been specifically approved by Shareholders of the Company who are not beneficiaries of the grant in a general meeting in separate resolutions for each such person; and

APPENDIX A – RULES OF THE 2024 HUATONG GLOBAL LIMITED EMPLOYEE SHARE OPTION SCHEME

- (c) all conditions for their participation in the Scheme as may be required by the Catalist Rules and any other regulations or requirements of the SGX-ST from time to time are satisfied,

provided always that it shall not be necessary to obtain the approval of the independent shareholders of the Company for the participation in the Scheme of a Controlling Shareholder or his associate who is, at the relevant time, already a Participant.

- 4.4. Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Administration Committee, which would be exercised judiciously.

5. OPTION ENTITLEMENT

Subject to Rule 4, Rule 11 and Rule 12, the aggregate number of Shares in respect of which Options may be offered to a Grantee for subscription in accordance with the Scheme shall be determined at the discretion of the Administration Committee, which would be exercised judiciously, who shall take into account criteria such as the rank and responsibilities within the Group, performance, years of service/appointment and potential for future development of the Grantee and the performance of the Company.

6. GRANT AND ACCEPTANCE OF OPTIONS

- 6.1. Subject as provided in Rule 11, the Administration Committee may grant Options at any time during the period when the Scheme is in force, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, Options may only be granted on or after the second Market Day from the date on which such announcement is released.
- 6.2. The Letter of Offer to grant an Option shall be in, or substantially in, the form set out in Schedule A, subject to such modification as the Administration Committee may from time to time determine.
- 6.3. An Option shall be personal to the person to whom it is granted and shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Administration Committee.
- 6.4. The grant of an Option under this Rule 6 shall be accepted by the Grantee within 30 days from the Date of Grant of that Option and, in any event, not later than 5.00 p.m. on the thirtieth day from such Date of Grant by completing, signing and returning the Acceptance Form in or substantially in the form set out in Schedule B, subject to such modification as the Administration Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration.
- 6.5. If a grant of an Option is not accepted in the manner as provided in Rule 6.4, such offer shall, upon the expiry of the 30-day period, automatically lapse and become null, void and of no effect.

7. EXERCISE PRICE

Subject to any adjustment pursuant to Rule 12, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Administration Committee, in its absolute discretion, on the Date of Grant, at:

- (a) a price equal to the Market Price; or
- (b) a price which is set at a discount to the Market Price, provided that:
- (i) the maximum discount shall not exceed 20.0% of the Market Price (or such other percentage or amount as may be determined by the Administration Committee and permitted by the SGX-ST); and

APPENDIX A – RULES OF THE 2024 HUATONG GLOBAL LIMITED EMPLOYEE SHARE OPTION SCHEME

- (ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Scheme at a discount not exceeding the maximum discount as aforesaid.

8. RIGHTS TO EXERCISE OPTIONS

- 8.1. Subject as provided in Rule 8 and Rule 9, a Market Price Option or an Incentive Option, as the case may be, shall be exercisable, in whole or in part, during the Exercise Period applicable to that Option.
- 8.2. An Option shall, to the extent unexercised, immediately lapse without any claim whatsoever against the Company:
 - (a) in the event of misconduct on the part of the Participant as determined by the Administration Committee in its discretion;
 - (b) subject to Rule 8.3, where the Participant ceases at any time to be in the employment of any of the Group, for any reason whatsoever;
 - (c) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Option; or
 - (d) the company by which he is employed ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group.

For the purpose of Rule 8.2(b), the Participant shall be deemed to have ceased to be so employed as at the last day of his employment. For avoidance of doubt, no Option shall lapse pursuant to Rule 8.2(b) in the event of any transfer of employment of a Participant between companies in the Group.

- 8.3. In any of the following events, namely:
 - (a) where the Participant ceases at any time to be in the employment of the Group by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Administration Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age; or
 - (iv) retirement before the legal retirement age with the consent of the Administration Committee; or
 - (b) where the Participant ceases at any time to be in the employment of any of the companies in the Group by reason of any other event approved in writing by the Administration Committee, the Participant may exercise any Option:
 - (c) in the case where the cessation of employment or cessation to be a Director, as the case may be, occurs after the first day of the Exercise Period in respect of such Option, within the period of 18 months after the date of such cessation of employment or such cessation to be a director, as the case may be, or before the expiry of the Exercise Period in respect of that Option, whichever is earlier, and upon expiry of such period the Option shall lapse; and

APPENDIX A – RULES OF THE 2024 HUATONG GLOBAL LIMITED EMPLOYEE SHARE OPTION SCHEME

- (d) in the case where the cessation of employment or cessation to be a Director, as the case may be, occurs before the first day of the Exercise Period in respect of such Option, within the period of 18 months after the first day of the Exercise Period in respect of that Option, and upon expiry of such period the Option shall lapse.

8.4. If a Participant dies, whether or not while still in the employment of any of the companies in the Group and at the date of his death holds any unexercised Option, such Option shall continue to be exercisable by the duly appointed personal representatives of the Participant:

- (a) in the case where death occurs after the first day of the Exercise Period in respect of such Option, within the period of 18 months after the date of such cessation of employment or before the expiry of the Exercise Period in respect of that Option, whichever is earlier, and upon expiry of such period the Option shall lapse; and
- (b) in the case where death occurs after the first day of the Exercise Period in respect of such Option, within the period of 18 months after the date of such cessation of employment or before the expiry of the Exercise Period in respect of that Option, whichever is earlier, and upon expiry of such period the Option shall lapse;

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

9.1. Notwithstanding Rule 8 but subject to Rule 9.5, in the event of a take-over being made for the Shares, a Participant shall be entitled to exercise any Option held by him and as yet unexercised, in respect of such number of Shares comprised in that Option as may be determined by the Administration Committee in its absolute discretion, 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 six months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the officer and with the approvals of the Administration 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);
- (b) the date of expiry of the Exercise Period relating thereto,

whereupon the Option then remaining unexercised shall lapse.

Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Companies Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participant until the expiry of such specified date or the expiry of the Exercise Period relating thereto, whichever is earlier. Any Option 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 Option shall, notwithstanding Rule 8, remain exercisable until the expiry of the Exercise Period relating thereto.

9.2. If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant shall be entitled, notwithstanding Rule 8 but subject to Rule 9.5, to exercise any Option then held by him, in respect of such number of Shares comprised in that Option as may be determined by the Administration Committee in its absolute discretion, during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Exercise Period relating thereto), whereupon the Option shall lapse and become null and void.

APPENDIX A – RULES OF THE 2024 HUATONG GLOBAL LIMITED EMPLOYEE SHARE OPTION SCHEME

- 9.3. 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 lapse and become null and void.
- 9.4. In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it dispatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provision of this Rule 9.4) and thereupon, each Participant (or his personal representative) shall be entitled to exercise all or any of his Options at any time not later than two 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 Subscription Cost 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 the relevant Shares to the Participant credited as fully paid.
- 9.5. If in connection with the making of a general offer referred to in Rule 9.1 or the scheme referred to in Rule 9.2 or the winding-up referred to in Rule 9.4, 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 Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, as yet not exercised, may not, at the discretion of the Administration Committee, be permitted to exercise that Option as provided for in this Rule 9.
- 9.6. To the extent that an Option is not exercised within the periods referred to in this Rule 9, it shall lapse and become null and void.

10. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

- 10.1. Subject to Rule 8.1, an Option may be exercised, in whole or in part, by a Participant giving notice in writing to the Company in or substantially in the form set out in Schedule C, subject to such modification as the Administration Committee may from time to time determine. Such notice must be accompanied by payment in cash for the Aggregate Subscription Cost in respect of the Shares for which that Option is exercised and any other documentation the Administration Committee may require. An Option shall be deemed to be exercised upon receipt by the Company of the said notice, duly completed, and the Aggregate Subscription Cost. All payments made shall be made by cheque, cashiers' order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company.
- 10.2. Subject to all such consents or other required action of any competent authority under any regulations or enactment for the time being in force as may be necessary and subject to the compliance with the terms of the Scheme and the Constitution of the Company, the Company shall, within 10 Market Days after the exercise of an Option, allot the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Administration Committee may deem fit. The Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares, if necessary. In the case of a transfer of treasury shares (if any), the Company shall do such acts or things which are necessary for the transfer to be effective.
- 10.3. Shares which are allotted or treasury shares which are transferred (as the case may be) on the exercise of an Option by a Participant shall be issued in the name of CDP to the credit of the securities account of that Participant maintained with CDP, the securities sub-account of that Participant maintained with a Depository Agent or the CPF investment account maintained with a CPF agent bank.

APPENDIX A – RULES OF THE 2024 HUATONG GLOBAL LIMITED EMPLOYEE SHARE OPTION SCHEME

- 10.4. Shares allotted and issued and/or treasury shares (if any) transferred, on exercise of an Option shall:
- (a) be subject to all the provisions of the Constitution of the Company; and
 - (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant date upon which such exercise occurred, and shall in all other respects rank *pari passu* with other existing Shares then in issue.
- 10.5. 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.

11. LIMITATION ON THE SIZE OF THE SCHEME

- 11.1. The total number of new Shares over which the Administration Committee may grant Options on any date, when added to the number of new Shares issued and issuable in respect of all Options granted under the Scheme, and all awards granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed 15.0% of the number of all issued Shares (excluding treasury shares, as defined in the Companies Act) on the day preceding that date.
- 11.2. The aggregate number of Shares which may be issued or transferred pursuant to Options granted under the Scheme to all Participants who are Controlling Shareholders and their associates shall not exceed 25.0% of the Shares available under the Scheme and such other share-based incentive schemes of the Company.
- 11.3. The aggregate number of Shares which may be issued or transferred pursuant to Options granted under the Scheme to each Participant who is a Controlling Shareholder or his associate shall not exceed 10.0% of the Shares available under the Scheme and such other share-based incentive schemes of the Company.

12. ADJUSTMENT EVENTS

- 12.1. If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:
- (a) the Exercise Price of the Shares, class and/or number of Shares comprised in an Option to the extent unexercised; and/or
 - (b) the class and/or number of Shares over which Options may be granted under the Scheme,
- shall be adjusted in such manner as the Administration Committee may determine to be appropriate.
- 12.2. Unless the Administration Committee considers an adjustment to be appropriate,
- (a) the issue of securities as consideration for an acquisition or a private placement of securities,
 - (b) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of a market purchase(s) effected on SGX-ST pursuant to a share purchase mandate granted by Shareholders (including any renewal of such mandate) which is in force, or
 - (c) any issuance of new Shares on the exercise of options, warrants or other convertible instruments issued by the Company from time to time entitling the holders thereof to subscribe for new Shares in the capital of the Company,
- shall not normally be regarded as a circumstance requiring adjustment.

APPENDIX A – RULES OF THE 2024 HUATONG GLOBAL LIMITED EMPLOYEE SHARE OPTION SCHEME

- 12.3. Notwithstanding the provisions of Rule 12.1,
- (a) no such adjustment shall be made if as a result the Participant receives a benefit that a Shareholder does not receive; and
 - (b) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- 12.4. Upon any adjustment required to be made pursuant to this Rule 12, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the Exercise Price thereafter in effect and class and/or number of Shares thereafter to be issued on the exercise of the Option. Any adjustment shall take effect upon such written notification being given.

13. ADMINISTRATION OF THE SCHEME

- 13.1. The Scheme shall be administered by the Administration Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Administration Committee shall participate in any deliberation or decision in respect of Options to be granted to him or held by him.
- 13.2. The Administration Committee shall have the power, from time to time, to make and vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as they think fit. Any matter pertaining or pursuant to the Scheme and any dispute and uncertainty as to the interpretation of the Scheme, any rule, regulation or procedure thereunder or any rights under the Scheme shall be determined by the Administration Committee.
- 13.3. Neither the Scheme nor the grant of Options under the Scheme shall impose on the Company or the Administration Committee any liability whatsoever in connection with:
- (a) the lapsing or early expiry of any Options pursuant to any provision of the Scheme;
 - (b) the failure or refusal by the Administration Committee to exercise, or the exercise by the Administration Committee of, any discretion under the Scheme; and/or
 - (c) any decision or determination of the Administration Committee made pursuant to any provision of the Scheme.
- 13.4. Any decision or determination of the Administration Committee made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors) shall be final, binding and conclusive.

14. NOTICES

- 14.1. Any notice required to be given by a Participant to the Company shall be sent or made to the principal place of business of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Administration Committee, as may be notified by the Company to him in writing.
- 14.2. Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Administration Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.

APPENDIX A – RULES OF THE 2024 HUATONG GLOBAL LIMITED EMPLOYEE SHARE OPTION SCHEME

- 14.3. Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 14.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of dispatch.

15. MODIFICATIONS TO THE SCHEME

- 15.1. Any or all the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Administration Committee, except that:
- (a) no modification or alteration shall alter adversely the rights attaching to any Option granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than 75.0% of the number of all the Shares which would fall to be allotted upon exercise in full of all outstanding Options;
 - (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of the Shareholders in general meeting; and
 - (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.
- 15.2. Notwithstanding anything to the contrary contained in Rule 15.1, the Administration Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 15.3. Written notice of any modification or alteration made in accordance with this Rule 15 shall be given to all Participants.

16. TERMS OF EMPLOYMENT UNAFFECTED

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

17. DURATION OF THE SCHEME

- 17.1. The Scheme shall continue to be in force at the discretion of the Administration Committee, subject to a maximum period of 10 years commencing on the Adoption Date, provided always that the Scheme may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 17.2. The Scheme may be terminated at any time by the Administration Committee, at the discretion of the Administration Committee, or by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.
- 17.3. The termination of the Scheme shall not affect Options which have been granted and accepted as provided in Rule 6.4, whether such Options have been exercised (whether fully or partially) or not.

18. TAXES

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

APPENDIX A – RULES OF THE 2024 HUATONG GLOBAL LIMITED EMPLOYEE SHARE OPTION SCHEME

19. COSTS AND EXPENSES OF THE SCHEME

- 19.1. Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a Depository Agent or CPF investment account with a CPF agent bank.
- 19.2. Save for the taxes referred to in Rule 18 and such other costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Option shall be borne by the Company.

20. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Administration Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing the Shares or applying for or procuring the listing of the Shares on the SGX-ST in accordance with Rule 10.2.

21. DISCLOSURES IN ANNUAL REPORT

The Company shall make the following disclosure or include the relevant negative statement in its annual report, for so long as the Scheme continues in operation:

- (a) The names of the members of the Administration Committee;
- (b) The information required in the table below for the following Participants:
- (i) Participants who are Directors;
 - (ii) Participants who are Controlling Shareholders and their associates (if any); and
 - (iii) Participants, other than those in (b)(i) and (b)(ii) above who receive 5% or more of the total number of Options available under the Scheme.

Name of Participants	Options granted during the financial year under review (including terms)	Aggregate Options granted since commencement of Scheme to end of financial year under review	Aggregate Options exercised since commencement of the Scheme to end of financial year under review	Aggregate Options outstanding as at end of financial year under review

- (c) In respect of Options granted to directors and employees of the parent company and its subsidiaries:
- (i) the names of and number and terms of options granted to each director or employee of the parent company and its subsidiaries who receives 5% or more of the total number of options available to all directors and employees of the parent company and its subsidiaries under the Scheme, during the financial year under review; and
 - (ii) the aggregate number of options granted to the directors and employees of the parent company and its subsidiaries for the financial year under review, and since the commencement of the Scheme to the end of the financial year under review.

APPENDIX A – RULES OF THE 2024 HUATIONG GLOBAL LIMITED EMPLOYEE SHARE OPTION SCHEME

- (d) The number and proportion of Options granted at a discount during the financial year under review in respect of every 10% discount range, up to the maximum quantum of discount granted; and
- (e) If any of the above is not applicable, an appropriate negative statement must be included.

22. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Scheme are to abstain from voting on any Shareholders' resolution relating to the Scheme, including but not limited to the following Shareholders' resolutions:

- (a) implementation of the 2024 Huationg ESOS;
- (b) the discount quantum under the Incentive Option; and
- (c) participation by and Option grant to Controlling Shareholders and their associates.

23. DISPUTES

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

24. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001

No person other than the Company or a Participant shall have any right to enforce any provision of the Scheme or any Option by the virtue of the Contracts (Rights of Third Parties) Act 2001 of Singapore.

25. GOVERNING LAW

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

**APPENDIX A – RULES OF THE 2024 HUATIONG GLOBAL LIMITED EMPLOYEE
SHARE OPTION SCHEME**

Schedule A

2024 HUATIONG ESOS

LETTER OF OFFER

Serial No. : _____

Date : _____

To: **[Name]**
[Designation]
[Address]

Private and Confidential

Dear Sir/Madam,

1. We have the pleasure of informing you that, pursuant to the 2024 Huatong ESOS (the “**Share Option Scheme**”), you have been nominated to participate in the Share Option Scheme by the Administration Committee (the “**Administration Committee**”) appointed by the Board of Directors of Huatong Global Limited (the “**Company**”) to administer the Share Option Scheme. Terms as defined in the Share Option Scheme shall have the same meaning when used in this letter.
2. Accordingly, in consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you an option (the “**Option**”), to subscribe for and be allotted _____ Shares at the price of S\$ _____ for each Share.
3. The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior approval of the Administration Committee.
4. The Option shall be subject to the terms of the Share Option Scheme, a copy of which is available for inspection at the business address of the Company.
5. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5.00 p.m. on _____, failing which this offer will lapse.

Yours faithfully,
For and on behalf of

Name:

Designation:

Huatong Global Limited

**APPENDIX A – RULES OF THE 2024 HUATIONG GLOBAL LIMITED EMPLOYEE
SHARE OPTION SCHEME**

Schedule B

2024 HUATIONG ESOS

ACCEPTANCE FORM

Serial No. : _____

Date : _____

To: The Administration Committee
Huatiang 2024 Employee Share Option Scheme

Closing Date for Acceptance of Offer	:	_____
Number of Shares Offered	:	_____
Exercise Price for Each Share	:	S\$ _____
Total Amount Payable	:	S\$ _____

I have read your Letter of Offer dated _____ and agree to be bound by the terms of the Letter of Offer and the Share Option Scheme referred to therein. Terms defined in your Letter of Offer shall have the same meanings when used in this Acceptance Form.

I hereby accept the Option to subscribe for _____ Shares at S\$_____ for each Share. I enclose cash for S\$ 1.00 in payment for the purchase of the Option/I authorise my employer to deduct the sum of S\$ 1.00 from my salary in payment for the purchase of the Option.

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

I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to subscribe for such shares.

I agree to keep all information pertaining to the grant of the Option to me confidential.

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

**APPENDIX A – RULES OF THE 2024 HUATIONG GLOBAL LIMITED EMPLOYEE
SHARE OPTION SCHEME**

Please print in block letters

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

***NRIC / Passport No.** : _____

Signature : _____

Date : _____

Note:

*Delete accordingly

**APPENDIX A – RULES OF THE 2024 HUATIONG GLOBAL LIMITED EMPLOYEE
SHARE OPTION SCHEME**

Schedule C

2024 HUATIONG ESOS

FORM OF EXERCISE OF OPTION

Total number of ordinary shares (the “ Shares ”) offered at S\$_____ for each Share (the “ Exercise Price ”) under the Huatong ESOS on _____ (Date of Grant)	: _____
Number of Shares previously allotted thereunder	: _____
Outstanding balance of Shares to be allotted thereunder	: _____
Number of Shares now to be subscribed	: _____

To: The Administration Committee
Huatong 2024 Employee Share Option Scheme

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Option to subscribe for _____ Shares in Huatong Global Limited (the “**Company**”) at S\$ _____ for each Share.
2. I enclose a *cheque/cashier’s order/banker’s draft/postal order no. _____ for S\$ _____ by way of subscription for the total number of the said Shares.
3. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Huatong ESOS and the Constitution of the Company.
4. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.
5. I request the Company to allot and issue the Shares in the name of The Central Depository (Pte) Limited (“**CDP**”) for credit of my *Securities Account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.

Note: *delete accordingly

**APPENDIX A – RULES OF THE 2024 HUATIONG GLOBAL LIMITED EMPLOYEE
SHARE OPTION SCHEME**

Please print in block letters

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

***NRIC / Passport No.** : _____

***Direct Securities Account No.** : _____

OR

***Sub Account No.** : _____

Name of Depository Agent : _____

OR

***CPF Investment Account No.** : _____

Name of Agent Bank : _____

Signature : _____

Date : _____

Note:

*Delete accordingly

APPENDIX B – RULES OF THE 2024 HUATIONG GLOBAL LIMITED PERFORMANCE SHARE PLAN

1. NAME OF THE PERFORMANCE SHARE PLAN

The Performance Share Plan shall be called the “2024 Huationg Global Limited Performance Share Plan”.

2. DEFINITIONS

2.1. In the 2024 Huationg Global Limited Performance Share Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:-

“Administration Committee”	: A committee comprising members of both the Nominating Committee and the Remuneration Committee of the Company, who will collectively administer the Plan
“Adoption Date”	: The date on which the Plan is adopted by the Company in general meeting
“associates”	: Has the meaning ascribed to it in the Catalist Rules
“Auditors”	: The auditors of the Company for the time being
“Award”	: A contingent award of Shares granted under Rule 5
“Award Letter”	: A letter in such form as the Administration Committee shall approve, confirming an Award granted to a Participant by the Administration Committee
“Board” or “Board of Directors”	: The board of directors for the time being of the Company
“Catalist”	: The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	: The SGX-ST Listing Manual Section B: Rules of Catalist of the SGX-ST as may be amended from time to time
“CDP”	: The Central Depository (Pte) Limited
“Companies Act” or “Act”	: The Companies Act 1967 of Singapore, as amended or modified from time to time
“Company”	: Huationg Global Limited, a public company incorporated in Singapore with limited liability
“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
“Controlling Shareholder”	: A person who: (a) holds directly or indirectly 15% or more of the number of all voting shares in the Company; or (b) in fact exercises control over the Company, unless otherwise determined

APPENDIX B – RULES OF THE 2024 HUATONG GLOBAL LIMITED PERFORMANCE SHARE PLAN

“Date of Grant”	: In relation to an Award, the date on which the Award is granted pursuant to Rule 5
“Director”	: A person holding office as a director for the time being of the Company and/or any of its Subsidiaries, as the case may be
“Employee”	: An employee of the Group selected by the Administration Committee to participate in the Plan
“Executive Director”	: A director for the time being of the Company and/or any of its Subsidiaries, holding office in an executive capacity in the Company and/or such Subsidiary
“Group”	: The Company and its Subsidiaries
“Market Day”	: A day on which the SGX-ST is open for securities trading
“Non-Executive Director”	: A director (other than an Executive Director) from time to time of the Company and/or any of its Subsidiaries
“Participant”	: The holder of an Award
“Performance Condition”	: In relation to a Performance-related Award, the condition specified on the Date of Grant in relation to that Award
“Performance-related Award”	: An Award in relation to which a Performance Condition is specified
“Performance Period”	: In relation to a Performance-related Award, a period, the duration of which is to be determined by the Administration Committee on the Date of Grant, during which the Performance Condition is to be satisfied
“Plan”	: The 2024 Huatong Global Limited Performance Share Plan, as the same may be modified or altered from time to time
“Record Date”	: The date as at the close of business (or such other time as may have been prescribed by the Company) on which Shareholders must be registered in order to participate in the dividends, rights, allotments or other distributions (as the case may be)
“Release”	: In relation to an Award, the release at the end of the Vesting Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and “Released” shall be construed accordingly

APPENDIX B – RULES OF THE 2024 HUATONG GLOBAL LIMITED PERFORMANCE SHARE PLAN

“Released Award”	: An Award in respect of which the Vesting Period relating to that Award has ended and which has been released in accordance with Rule 7
“Rules”	: Rules of the Plan
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“SGX-ST Listing Manual”	: Listing Manual of the SGX-ST, as may be amended from time to time
“2024 Huatong ESOS”	: The share option scheme that may be adopted by the Company on terms determined by the Company as may be modified or altered from time to time
“Securities Accounts”	: The securities account maintained by a Depositor with CDP
“Shareholders”	: Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
“Shares”	: Ordinary shares in the capital of the Company
“Subsidiary”	: A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of Section 5 of the Companies Act
“Trading Day”	: A day on which the Shares are traded on the SGX-ST
“treasury shares”	: Has the meaning ascribed to it in Section 4 of the Companies Act
“Vesting”	: In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly
“Vesting Date”	: In relation to Shares which are the subject of a Released Award, the date (as determined by the Administration Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7
“Vesting Period”	: In relation to an Award, a period or periods, the duration of which is to be determined by the Administration Committee at the Date of Grant
“S\$” and “cents”	: Singapore dollars and cents respectively
“%”	: Per centum or percentage

APPENDIX B – RULES OF THE 2024 HUATONG GLOBAL LIMITED PERFORMANCE SHARE PLAN

- 2.2. The terms “Depositor”, “Depository Register” and “Depository Agent” shall have the meanings ascribed to them, respectively, by Section 81F of the Securities and Futures Act 2001 of Singapore or any statutory modification thereof, as the case may be.
- 2.3. Words importing the singular number shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.
- 2.4. Any reference in this Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in this Scheme shall, where applicable, have the meaning ascribed to it under the Companies Act or any statutory modification thereof, as the case may be.
- 2.5. Any reference to a time of a day in the Scheme is a reference to Singapore time.

3. OBJECTIVES OF THE PLAN

- 3.1. The Plan is a performance incentive scheme which will form an integral part of the Group’s incentive compensation program.
- 3.2. The objectives of the Plan are as follows:
- (a) provide an opportunity for Participants to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organisational commitment, dedication and loyalty of Participants towards the Group;
 - (b) motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Group;
 - (c) give recognition to contributions made or to be made by Participants by introducing a variable component into their remuneration package; and
 - (d) make employee remuneration sufficiently competitive to recruit new Participants and/or to retain existing Participants whose contributions are important to the long-term growth and profitability of the Group.

4. ELIGIBILITY OF PARTICIPANTS

- 4.1. Any person shall be eligible to participate in the Plan at the absolute discretion of the Administration Committee if at the Date of Grant such person must:
- (a) be confirmed in his/her employment with the Group;
 - (b) he shall have attained the age of 21 years;
 - (c) he shall not be an undischarged bankrupt and must not have entered into a composition with his/her creditors; and
 - (d) Controlling Shareholders and their associates.
- 4.2. Non-Executive Directors who satisfy the eligibility requirements in Rule 4.1(b) and (c) shall also be eligible to participate in the Plan.

APPENDIX B – RULES OF THE 2024 HUATONG GLOBAL LIMITED PERFORMANCE SHARE PLAN

- 4.3. Persons who are Controlling Shareholders and their associates who satisfy the criteria set out in Rule 4.1 above shall be eligible to participate in the Plan, at the absolute discretion of the Administration Committee, provided that:
- (a) written justification has been provided to Shareholders for such person's participation at the introduction of the Plan or prior to the first grant of Awards to him;
 - (b) (i) the participation by each such person, and (ii) the actual number and terms of any Award to be granted to each such person have been specifically approved by Shareholders of the Company who are not beneficiaries of the grant in a general meeting in separate resolutions for each such person; and
 - (c) all conditions for their participation in the Scheme as may be required by the Catalist Rules and any other regulations or requirements of the SGX-ST from time to time are satisfied,
- provided always that it shall not be necessary to obtain the approval of the independent shareholders of the Company for the participation in the Plan of a Controlling Shareholder or his associate who is, at the relevant time, already a Participant.
- 4.4. The eligibility of Participants to participate in the Plan, and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan and the Vesting Period shall be determined at the absolute discretion of the Administration Committee, which shall take into account:
- (a) the financial performance of the Group;
 - (b) in respect of a Participant being an Employee, criteria such as his rank, job performance, potential for future development and his contribution to the success and development of the Group; and
 - (c) in respect of a Participant being a Non-Executive Director, criteria such as his contribution to the success and development of the Group.
- 4.5. Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the Administration Committee, which would be exercised judiciously.

5. GRANT OF AWARDS

- 5.1. Subject as provided in Rule 8, the Administration Committee may grant Awards to Employees as the Administration Committee may select in its absolute discretion, at any time during the period when the Plan is in force.
- 5.2. The Administration Committee shall decide, in its absolute discretion, in relation to each Award:
- (a) the Participant;
 - (b) the Date of Grant;
 - (c) the number of Shares which are the subject of the Award;
 - (d) the prescribed Vesting Period(s);
 - (e) the extent to which Shares which are the subject of that Award shall be Released at the end of each prescribed Vesting Period; and

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- (f) in the case of a Performance-related Award, the Performance Period and the Performance Condition,

PROVIDED THAT subject to Rules 5.3 and 6, the Vesting Period(s) shall not be of shorter duration than the minimum vesting periods prescribed under the Catalyst Rules in respect of employee share options.

- 5.3. The Administration Committee may amend or waive the Vesting Period(s) and, in the case of a Performance related Award, the Performance Period and/or the Performance Condition in respect of any Award:

- (a) in the event of a general offer (whether conditional or unconditional) being made for all or any part of the Shares, or a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the Court under the Companies Act, or a proposal to liquidate or sell all or substantially all of the assets of the Company; or
- (b) in the case of a Performance-related Award, if anything happens which causes the Administration Committee to conclude that:
- (i) a changed Performance Condition would be a fairer measure of performance, and would be no less difficult to satisfy; or
- (ii) the Performance Condition should be waived as the Participant has achieved a level of performance that the Administration Committee considers satisfactory notwithstanding that the Performance Condition may not have been fulfilled,

and shall notify the Participants of such change or waiver (but accidental omission to give notice to any Participant(s) shall not invalidate any such change or waiver).

- 5.4. As soon as reasonably practicable after making an Award, the Administration Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:

- (a) the Date of Grant;
- (b) the number of Shares which are the subject of the Award;
- (c) the prescribed Vesting Period(s);
- (d) the extent to which Shares which are the subject of that Award shall be released at the end of each prescribed Vesting Period; and
- (e) in the case of a Performance-related Award, the Performance Period and the Performance Condition.

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

- 5.6. An Award or Released Award shall be personal to the Participant to whom it is granted and no Award or Released Award or any rights thereunder shall not be transferred, charged, assigned, pledged, mortgaged, encumbered or otherwise disposed of, in whole or in part, and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award, that Award or Released Award shall immediately lapse.

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6. EVENTS PRIOR TO THE VESTING DATE

- 6.1. An Award, to the extent not yet Released, shall forthwith become void and cease to have effect on the occurrence of any of the following events (and in such an event, the Participant shall have no claim whatsoever against the Company, its Directors or employees):
- (a) a Participant, being an Employee, ceasing for any reason whatsoever, to be in the employment of the Company and/or the relevant Subsidiary or in the event the company by which the Employee is employed ceases to be a company in the Group;
 - (b) a Participant, being a Non-Executive Director, ceasing to be a director of the Company and/or the relevant Subsidiary, as the case may be, for any reason whatsoever;
 - (c) upon the bankruptcy of the Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of or interest in such Award;
 - (d) ill health, injury, disability or death of a Participant;
 - (e) a Participant commits any breach of any of the terms of his Award;
 - (f) misconduct on the part of a Participant as determined by the Company in its discretion;
 - (g) a take-over, winding-up or reconstruction of the Company; and/or
 - (h) any other event approved by the Administration Committee.

For the purpose of Rule 6.1(a) above, an Employee shall be deemed to have ceased to be in the employment of the Company or the Subsidiary (as the case may be) on the date on which he gives notice of termination of employment, unless prior to the date on which termination takes effect, the Employee has (with the consent of the Company or the Subsidiary (as the case may be)) withdrawn such notice.

For the purpose of Rule 6.1(b), a Participant shall be deemed to have ceased to be a Non-Executive Director as at the date the notice of resignation of or termination of directorship, as the case may be, is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

- 6.2. The Administration Committee may in its absolute discretion and on such terms and conditions as it deems fit, preserve all or any part of any Award notwithstanding the provisions of any other Rules including Rules 6.1 and 7.1. Further to such exercise of discretion, the Awards shall be deemed not to have become void nor cease to have effect in accordance with the relevant provisions in Rule 6.1.
- 6.3. Without prejudice to the provisions of Rules 5.3 and 7.1, to the extent of an Award yet to be Released, if any of the following occurs:
- (a) a general offer (whether conditional or unconditional) being made for all or any part of the Shares;
 - (b) a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the Court under the Companies Act or the Insolvency, Restructuring and Dissolution Act 2018;
 - (c) an order for the compulsory winding-up of the Company is made; or
 - (d) a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made,

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the Administration Committee may consider, at its discretion, whether or not to Release such Award. If the Administration Committee decides to Release such Award, then in determining the number of Shares to be Vested in respect of such Award, the Administration Committee will have regard to the proportion of the Vesting Period(s) which has elapsed and the extent to which the Performance Condition (if any) has been satisfied. Where such Award is Released, the Administration Committee will, as soon as practicable after such Release, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7.

7. RELEASE OF AWARDS

7.1. -:

- (a) In relation to each Performance-related Award, as soon as reasonably practicable after the end of the relevant Performance Period, the Administration Committee shall review the Performance Condition specified in respect of that Award and determine whether it has been satisfied and, if so, the extent to which it has been satisfied.

If the Administration Committee determines in its sole discretion that the Performance Condition has not been satisfied or if the relevant Participant (being an Employee) has not continued to be an Employee from the Date of Grant up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rule 7 (save for this Rule 7.1(a)) shall be of no effect.

The Administration Committee shall have the discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded and, in making any such determination, the Administration Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Administration Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events.

Subject to:

- (i) (in relation to a Performance-related Award) the Administration Committee having determined that the Performance Condition has been satisfied;
- (ii) the relevant Participant (being an Employee) having continued to be an Employee from the Date of Grant up to the end of the relevant Vesting Period;
- (iii) the Administration Committee being of the opinion that the job performance of the relevant Participant has been satisfactory;
- (iv) such consents (including any approvals required by the SGX-ST) as may be necessary;
- (v) compliance with the terms of the Award, the Plan, the Constitution of the Company;
- (vi) where Shares are to be allotted or transferred on the release of an Award, the Participant having a securities account with CDP and compliance with the applicable requirements of CDP; and
- (vii) where new Shares are to be allotted on the release of an Award, the Company being satisfied that the Shares which are the subject of the Released Award will be listed for quotation on the SGX-ST,

upon the expiry of each Vesting Period in relation to an Award, the Company shall Release to the relevant Participant the Shares to which his Award relates on the Vesting Date.

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- (b) Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Market Day falling as soon as practicable after the Release of such Award in accordance with Rule 7.1(a) and, on the Vesting Date, the Administration Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.
 - (c) Where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for the listing and quotation of such Shares.
- 7.2. Shares which are allotted or transferred on the Release of an Award to a Participant shall be registered in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent.
- 7.3. New Shares allotted and issued, and existing Shares procured by the Company on behalf of the Participants for transfer, upon the Release of an Award shall:
- (a) be subject to all the provisions of the Constitution of the Company; and
 - (b) rank for any dividend, right, allotment or other distribution on the Record Date of which is on or after the relevant Vesting Date and (subject as aforesaid) will rank *pari passu* in all respects with the Shares then existing.

8. LIMITATION ON THE SIZE OF THE PLAN

- 8.1. The aggregate number of Shares which may be issued and/or transferred pursuant to Awards granted under the Plan on any date, when added to the number of Shares issued and issuable and/or transferred and transferrable in respect of (a) all Awards granted under the Plan, and (b) all options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed 15.0% of the number of all issued Shares (excluding treasury shares, as defined in the Companies Act) on the day preceding that date.
- 8.2. The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan to all Participants who are Controlling Shareholders and their associates shall not exceed 25.0% of the Shares available under the Plan and such other share-based incentive schemes of the Company.
- 8.3. The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan to each Participant who is a Controlling Shareholder or his associate shall not exceed 10.0% of the Shares available under the Plan and such other share-based incentive schemes of the Company.

9. ADJUSTMENT EVENTS

- 9.1. If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves, rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:
- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested and the rights attached thereto; and/or
 - (b) the class and/or number of Shares in respect of which Awards may be granted under the Plan,
- may, at the option of the Administration Committee, be adjusted in such manner as the Administration Committee may determine to be appropriate, provided that any such adjustment shall be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

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- 9.2. Unless the Administration Committee considers an adjustment to be appropriate,
- (a) the issue of securities as consideration for an acquisition or a private placement of securities,
 - (b) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of a market purchase(s) effected on SGX-ST pursuant to a share purchase mandate granted by Shareholders (including any renewal of such mandate) which is in force, or
 - (c) any issuance of new Shares on the exercise of options, warrants or other convertible instruments issued by the Company from time to time entitling the holders thereof to subscribe for new Shares in the capital of the Company,

shall not normally be regarded as a circumstance requiring adjustment.

- 9.3. Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- 9.4. Upon any adjustment being made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award and the date on which such adjustment shall take effect.
- 9.5. Notwithstanding the provisions of Rule 9.1 or that no adjustment is required under the provisions of the Plan, the Administration Committee may, in any circumstances where it considers that no adjustment should be made or that it should take effect on a different date or that an adjustment should be made to any of the matters referred to in Rule 9.1 notwithstanding that no adjustment is required under the said provisions (as the case may be), request the Auditors to consider whether for any reasons whatsoever the adjustment or the absence of an adjustment is appropriate or inappropriate as the case may be, and, after such consideration, no adjustment shall take place or the adjustment shall be modified or nullified or an adjustment made (instead of no adjustment made) in such manner and on such date as shall be considered by such Auditors (acting only as experts and not as arbitrators) to be in their opinion appropriate.

10. ADMINISTRATION OF THE PLAN

- 10.1. The Plan shall be administered by the Administration Committee in its absolute discretion, with such powers and duties as are conferred on it by the Board, provided that no member of the Administration Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him or held by him.
- 10.2. The Administration Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit.
- 10.3. The Company shall bear the costs of establishing and administering the Plan.

11. NOTICES

- 11.1. A Participant shall not by virtue of being granted any Award be entitled to receive copies of any notices or other documents sent by the Company to Shareholders of the Company.

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- 11.2. Any notice or other communication between the Company and a Participant may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its registered office and, in the case of the Participant, his address as notified by him to the Company from time to time.
- 11.3. Any notice or other communication sent by post:
- (a) by the Company shall be deemed to have been received 24 hours after the same was put in the post properly addressed and stamped; and/or
 - (b) by the Participant shall be deemed to have been received when the same is received by the Company at the registered office of the Company.

12. MODIFICATIONS TO THE PLAN

- 12.1. Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by resolution of the Board, except that:
- (a) no modification or alteration shall be made which would adversely affect the rights attached to any Award granted prior to such modification or alteration except with the prior consent in writing of such number of Participants who, if their Awards were Released to them upon the expiry of all the Vesting Periods applicable to their Awards, would be entitled to not less than 75.0% of the aggregate number of the Shares which would fall to be vested upon the Release of all outstanding Awards upon the expiry of all the Vesting Periods applicable to all such outstanding Awards;
 - (b) any modification or alteration which would be to the advantage of Participants under the Plan shall be subject to the prior approval of the Shareholders of the Company in general meeting; and
 - (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.
- 12.2. Notwithstanding anything to the contrary contained in Rule 12.1, the Board may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Plan in any way to the extent necessary to cause the Plan to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 12.3. Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

13. TERMS OF EMPLOYMENT UNAFFECTED

Notwithstanding the provisions of any other Rule:

- (a) the Plan or any Award shall not form part of any contract of employment between the Company and/or any Subsidiary and/or any Employee and the rights and obligations of any individual under the terms of the office or employment with any such company shall not be affected by his participation in the Plan or any right which he may have to participate in it or any Award which he may be granted and the Plan or any Award shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever (whether lawful or not); and

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- (b) the Plan shall not confer on any person any legal or equitable rights (other than those constituting the Awards 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 any such company, its directors or employees.

14. DURATION OF THE PLAN

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

15. ANNUAL REPORT DISCLOSURE

- 15.1. The Company, as required by law or the SGX-ST or other relevant authority, shall make the following disclosures in its annual report for so long as the Plan continues in operation:-

- (a) the names of the members of the Administration Committee;
- (b) the information in the table below for:-
- (i) participants who are Directors;
 - (ii) Participants who are Controlling Shareholders and associates; and
 - (iii) Participants other than those in (a) and (b) above, who receive Awards comprising 5% or more of the aggregate of the total number of Shares available under the Plan,

Name of Participant	Awards granted during the financial year under review (including terms)	Aggregate Awards granted since commencement of Plan to end of financial year under review	Aggregate Awards released since commencement of Plan to end of financial year under review	Aggregate Awards not yet released as at the end of financial year under review

- (c) such other information as may be required by the Catalist Rules, the Companies Act and all other applicable laws and requirements.

If any of the disclosures above in the foregoing of this Rule 13 is not applicable, an appropriate negative statement will be included in the annual report.

16. ABSTENTION FROM VOTING

- 16.1. Shareholders who are eligible to participate in the Plan shall abstain from voting on any resolution relating to the adoption and implementation of the Plan and/or otherwise as may be required by the SGX-ST.

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17. TAXES, COSTS AND EXPENSES OF THE PLAN

- 17.1. Notwithstanding anything herein, each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a CDP Depository Agent.
- 17.2. The Participants shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or Vesting of the relevant Award. All taxes (including income tax) arising from the grant or Vesting of any Award under the Plan shall be borne by that Participant. The Company shall not be responsible for any failure by the Participant to obtain any such consent or for any tax or other liability to which the Participant may become subject as a result of his participation in the Plan.

18. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Company, its Directors or employees or the Administration Committee shall not under any circumstances be held liable for any costs, losses, expenses liabilities or damages whatsoever and howsoever arising in respect of any matter under or in connection with the Plan, including but not limited to any delay or failure to issue, or procure the transfer of, the Shares or to apply for or procure the listing of new Shares on the SGX-ST in accordance with Rule 7.1(c) (and any other stock exchange on which the Shares are quoted or listed).

19. DISPUTES

Any disputes or differences of any nature arising hereunder (other than matters to be confirmed by the Auditors in accordance with the Plan) shall be referred to the Administration Committee and its decision shall be final and binding in all respects (including any decisions pertaining to disputes as to interpretation of the Plan or any Rule, regulation, procedure thereunder or as to any rights under the Plan).

20. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by virtue of the Contracts (Rights of Third Parties) Act 2001 of Singapore.

21. GOVERNING LAW

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