

CIRCULAR DATED 4 JUNE 2020

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

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

If you have sold or transferred all your shares in the capital of Katrina Group Ltd. (the “**Company**”) held through the Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as CDP will arrange for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company (“**Shares**”) which are not deposited with CDP, you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the attached proxy form to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer of Shares was effected for onward transmission to the purchaser or the transferee.

Your attention is drawn to the section entitled “Risk Factors Relating to the Proposed Diversification” of this Circular, which you should review carefully.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, Hong Leong Finance Limited (the “**Sponsor**”) for compliance with the relevant rules of the 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 and the SGX-ST assume no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

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

Katrina
GROUP LTD.

KATRINA GROUP LTD.
(Company Registration Number: 201608344N)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) PROPOSED DIVERSIFICATION OF THE BUSINESS OF THE GROUP TO INCLUDE THE PROPERTY BUSINESS;**
- (2) PROPOSED ADOPTION OF KGL PERFORMANCE SHARE PLAN;**
- (3) PROPOSED PARTICIPATION OF GOH KENG HONG, BEING AN ASSOCIATE OF CONTROLLING SHAREHOLDER IN THE KGL PERFORMANCE SHARE PLAN; AND**
- (4) PROPOSED GRANT OF AWARD TO GOH KENG HONG UNDER THE KGL PERFORMANCE SHARE PLAN.**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	23 June 2020 at 3.00 p.m.
Date and time of Extraordinary General Meeting	:	26 June 2020 at 3.00 p.m. (or immediately after the conclusion of the Company’s annual general meeting to be convened on the same day)
Place of Extraordinary General Meeting	:	The Extraordinary General Meeting will be held by way of electronic means

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DEFINITIONS

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

“ACRA”	:	Accounting and Corporate Regulatory Authority of Singapore
“Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Associate”	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:- (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any 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 granted under the KGL PSP
“Awards Committee”	:	The committee comprising the directors of the Company who are members of the Remuneration Committee of the Company for the time being, which is duly authorised and appointed by the Board to administer the KGL PSP
“Board”	:	The board of directors of the Company as at the date of this Circular
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“CEO”	:	Chief Executive Officer
“Circular”	:	This circular to Shareholders dated 4 June 2020 in relation to the Proposed Diversification and Adoption of the KGL PSP
“Company”	:	Katrina Group Ltd.
“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

DEFINITIONS

<i>“Controlling Shareholder”</i>	:	A person (including a corporation) who: (a) holds directly or indirectly 15% or more of the total number of Shares in the Company; or (b) in fact exercises Control over the Company
<i>“Current Core Business”</i>	:	Has the meaning ascribed to it in Section 2.1 of this Circular
<i>“Date of Grant”</i>	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 6 of the Proposed Rules of the KGL PSP
<i>“Directors”</i>	:	The directors of the Company as at the date of this Circular
<i>“EGM”</i>	:	The extraordinary general meeting of the Company to be held on 26 June 2020 at 3.00 p.m. (or immediately after the conclusion of the Company’s annual general meeting to be convened on the same day), the notice of which is set out on pages 42 to 45 of this Circular
<i>“Employee”</i>	:	An employee of the Group selected by the Awards Committee to participate in the KGL PSP
<i>“EPS”</i>	:	Earnings per Share
<i>“Executive Director”</i>	:	A director of the Company for the time being, holding office in an executive capacity in the Company
<i>“F&B”</i>	:	Food and beverage
<i>“FY”</i>	:	Financial year of the Company ended or ending 31 December (as the case may be)
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Hospitality Business”</i>	:	The business of the operation and management of affordable diverse accommodation solutions, such as serviced residences and co-living hotels
<i>“Independent Director”</i>	:	A director of the Company who has no relationship with the Company, its related corporations, substantial Shareholders, or its officers, that could interfere or be reasonably perceived to interfere with the exercise of the director’s independent business judgment with a view to the best interests of the Company
<i>“KGL PSP”</i>	:	Katrina Group Ltd Performance Share Plan
<i>“Latest Practicable Date”</i>	:	The latest practicable date prior to the printing of this Circular, being 22 May 2020
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST, as maybe amended, varied, or supplemented from time to time
<i>“New Shares”</i>	:	The new Shares which may be allotted and issued from time to time pursuant to the release of Awards granted under the KGL PSP
<i>“Participant”</i>	:	The holder of an Award

DEFINITIONS

<i>“Performance-related Award”</i>	:	An Award in relation to which a Performance Condition is specified
<i>“Performance Period”</i>	:	In relation to a Performance-related Award, a period, the duration of which is to be determined by the Awards Committee on the Date of Grant, during which the Performance Condition is to be satisfied
<i>“Property Business”</i>	:	The Group’s proposed property business which, subject to Shareholders’ approval at the EGM, shall include property development activities and investments into properties, that may be carried out both within and outside of Singapore, as more particularly described in Section 2.2 of this Circular
<i>“Proposed Diversification”</i>	:	The diversification of the Group’s business to include the Property Business
<i>“Record Date”</i>	:	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)
<i>“Rules”</i>	:	The rules of the KGL PSP, as the same may be amended from time to time
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
<i>“SFA”</i>	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share(s)”</i>	:	Ordinary share(s) in the share capital of the Company
<i>“Shareholders”</i>	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
<i>“SOPL”</i>	:	Straits Organization Pte. Ltd.
<i>“SRS”</i>	:	Supplementary Retirement Scheme
<i>“Subsidiary”</i>	:	Has the meaning ascribed to it in Section 5 of the Companies Act
<i>“Substantial Shareholder”</i>	:	A person (including a corporation) who holds directly or indirectly 5% or more of the total number of Shares in the Company
<i>“Vesting”</i>	:	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
<i>“Vesting Date”</i>	:	In relation to Shares which are the subject of a Released Award, the date (as determined by the Awards Committee and notified to the relevant Participant) on which those Shares have vested pursuant to Rule 8

DEFINITIONS

“*Vesting Period*” : In relation to an Award, a period or period, the duration of which is to be determined by the Awards Committee at the Date of Grant

Currencies, Units and Others

“S\$” : Singapore dollar

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

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them, respectively, in Section 81SF of the SFA. The term “**subsidiary**” shall have the same meaning ascribed to it in Section 5 of the Act.

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

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

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Act, the SFA, the Catalist Rules or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be.

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

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

LETTER TO SHAREHOLDERS

KATRINA GROUP LTD.

(Company Registration Number: 201608344N)
(Incorporated in the Republic of Singapore)

Board of Directors

Alan Goh Keng Chian (*Executive Chairman and CEO*)
Madaline Catherine Tan Kim Wah (*Executive Director*)
Mah How Soon (*Lead Independent Director*)
Joan Lau Sau Chee (*Independent Director*)
Tan Kong King (*Independent Director*)

Registered Office

100 Beach Road
#16-09/13 Shaw Tower
Singapore 189702

4 June 2020

To: The Shareholders of Katrina Group Ltd.

Dear Sir/Madam

- (1) **PROPOSED DIVERSIFICATION OF THE BUSINESS OF THE GROUP TO INCLUDE PROPERTY BUSINESS;**
- (2) **PROPOSED ADOPTION OF KGL PERFORMANCE SHARE PLAN;**
- (3) **PROPOSED PARTICIPATION BY GOH KENG HONG, BEING AN ASSOCIATE OF CONTROLLING SHAREHOLDER IN THE KGL PERFORMANCE SHARE PLAN; AND**
- (4) **PROPOSED GRANT OF AWARD TO GOH KENG HONG UNDER THE KGL PERFORMANCE SHARE PLAN.**

1 INTRODUCTION

1.1 EGM

The Directors are proposing to convene the EGM to be held on 26 June 2020 at 3.00 p.m. (or immediately after the conclusion of the Company's annual general meeting to be convened on the same day) to seek the approval of the Shareholders for the Proposed Diversification, the proposed adoption of the KGL PSP, the proposed participation by Goh Keng Hong in the KGL PSP and the grant of award to Goh Keng Hong, being an Associate of a Controlling Shareholder.

1.2 Circular

The purpose of this Circular is to provide Shareholders with information relating to, as well as to explain the rationale for and seek the Shareholders' approval for, the Proposed Diversification, the proposed adoption of the KGL PSP, the proposed participation by Goh Keng Hong in the KGL PSP and the proposed grant of award to Goh Keng Hong at the upcoming EGM.

2 PROPOSED DIVERSIFICATION OF BUSINESS

2.1 Current Core Business of the Group

The Group's Current Core Business is an established F&B group that specialises in multi-cuisine concepts and restaurant operations with a growing presence in diverse accommodation solutions. Its F&B business includes operating a chain of restaurants and cafes under nine different F&B brands and concepts, with each brand serving authentic cuisines of different ethnicity – namely, Indonesian, Thai, Hong Kong, Yunnan, Northern Chinese, Mexican, Vietnamese and Japanese – which provide different dining options to cater to a wide spectrum of patrons and different market segments. Amongst the nine brands, restaurants under the brand names Bali Thai, So Pho, and Streets, are certified "Halal" in Singapore. The Group's restaurants are located in Singapore and overseas.

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Building on the Group's hospitality expertise in the F&B industry, the Group's Current Core Business has, in November 2018, included the operation and management of affordable diverse accommodation solutions, such as serviced residences and co-living hotels.

2.2 Information regarding the Property Business

2.2.1 Subject to the approval of Shareholders being obtained at the EGM, the Company intends to diversify the Group's existing business to include the Property Business. The Company intends to develop the Property Business in tandem with its Hospitality Business which involves:

- (i) Acquiring/disposing investments in various types of properties (including mixed development properties such as commercial, residential properties and/or hotels) for the collection of rental income and/or capital appreciation;
- (ii) redeveloping existing buildings and undertaking asset enhancement works to add value to the properties acquired for the purposes of increasing capital value and realising such increased capital value with the objective of achieving the sale of the properties; and
- (iii) invest in or purchase or otherwise acquire or dispose of any such assets, investments and shares or interests in any entity that is in the Property Business.

Any business activities as aforesaid shall upon approval of the Proposed Diversification by the Shareholders at the EGM, constitute part of the ordinary course of business of the Group.

The Group will focus its Property Business efforts initially in Singapore and intends to subsequently venture and explore overseas when suitable opportunities arise. Accordingly, the Company does not plan to restrict the Proposed Diversification to any specific geographical market as each project and investment will be evaluated and assessed by the Board on its merits.

2.2.2 Future Plans

The Group remains committed in the continuance of its Current Core Business for so long as its Current Core Business remains viable. The Group's entry into the Property Business is intended to be a diversification from, but yet also a complementation of, the Current Core Business and growing Hospitality Business, which the Board believes will allow the Group to have better prospects of profitability and ensure long term growth by enabling the Group to have access to new business opportunities which in turn could potentially enhance the return on the Group's assets and improve Shareholders' value in the long run.

2.3 Rationale for the Proposed Diversification

In its continued search for new business opportunities and having diversified to include Hospitality Business, the Group has considered opportunities in the property industry which is related to its Current Core Business. With an aim to eventually developing another core business division to broaden and safeguard the Group's stream of income and revenue, the Group believes that devoting its efforts into actively pursuing and expanding into the Property Business will have the following benefits:

(i) **Additional revenue streams and complementary to existing businesses**

The Proposed Diversification is expected to provide additional and recurrent revenue streams for the Group which include management fees, rental fees and gains from capital appreciation while complementing its existing businesses.

There exists a beneficial collaboration amongst the Group's F&B, Hospitality Business, and proposed Property Business as they each represent a significant arm of the broader service industry, the Group therefore believes that its Proposed Diversification into the Property Business is in fact a natural expansion. There will be opportunities for the Group to take advantage of this collaboration such as leasing the redeveloped buildings to

LETTER TO SHAREHOLDERS

the existing Group's F&B and Hospitality Business and this will reduce potential rental disruptions, which the Group may have with third-party landlords. With a collaboration amongst all of these businesses, the Group will be able to provide a full-suite services in the broader service industry, catering to a wider range of market including locals, tourists and business millennials.

In this regard, the Group can leverage on its current network, experience, and knowledge in the operations of F&B concepts and hospitality property management to identify and seek suitable opportunities in the property industry that will in turn benefit its other businesses. Therefore, the Group believes that it will benefit particularly in terms of cost savings.

(ii) **More diversified income base, reducing reliance on and business risks of Current Core Business especially as experienced during the period of COVID-19**

The Proposed Diversification may provide the Group with a more diversified business and income base for future growth and reduce the Group's reliance on its Current Core Business for its revenue streams. Given the volatility of the broader service industry, the Group sees it beneficial and important to continue exploring other growth areas to possibly develop another core business division to broaden and safeguard the Group's income and revenue streams.

Further, the Proposed Diversification may provide the Group with a more diversified business model that reduces the Group's business risks relating to the rental, management and procurement of premises for its F&B and Hospitality Businesses. In addition, the Group believes the proposed Property Business will reduce the risk of possible business interruptions to its F&B and Hospitality Businesses as the Group will have greater control over the premises.

(iii) **Enhance Shareholders' value**

The Proposed Diversification is part of the corporate strategy of the Group to provide Shareholders with diversified returns and long term growth. It may provide the Group with additional funds, which can be channelled towards the enhancement of shareholder value over the long-term. Additionally, as mentioned above, the Group believes that the Proposed Diversification can offer new business opportunities, and provide it with new revenue streams and improve its prospects, so as to enhance Shareholders' holdings in the Company.

In light of the above, the Board is of the view that the undertaking of the Property Business is in the best interest of the Company and Shareholders.

2.4 Management of the Property Business

The Group intends to undertake the Property Business primarily through the management of SOPL. Overall, the Property Business together with the Hospitality Business will be collectively overseen by the property management team comprising Mr Alan Goh Keng Chian, the Executive Chairman and Chief Executive Officer of the Company, Mr Goh Keng Hong, the chief operating officer of SOPL, and Ms Lim Li Ling, the chief financial officer of the Company.

The Group intends to hire qualified personnel with suitable expertise and experience to support the growth of the Property Business, as and where appropriate. The management team of the Property Business may also, where appropriate, seek the advice of external consultants and industry experts when making decisions in respect of the Property Business. The Board will also receive updates from the management on the financial health and progress of the Property Business and where necessary or appropriate, direct the appointment of in-house or external consultants or professional advisers to assist the management in the Property Business.

LETTER TO SHAREHOLDERS

The Group recognises that although complementary, the Property Business is different from its Current Core Business. However, the Group notes that the relevant experience and expertise required can be acquired and developed by the Group over time as it progresses in the Property Business. The Board, which reviews the risk exposure of the Group for all its businesses at regular intervals, will additionally review the risk exposure of the Property Business periodically to ensure that there are sufficient guidelines and procedures in place to monitor its operations.

2.5 Funding for the Property Business

The Group may fund the Property Business through a combination of internal sources of funds and borrowings from financial institutions. The Directors will determine the optimal mix of internal funding and bank borrowings, taking into account the cash flow of the Group and the prevailing bank financing costs.

As and when necessary and deemed appropriate, the Group may explore secondary fund-raising exercises by tapping the capital markets including but not limited to rights issues, share placements and/or issuance of debt instruments.

The Group will remain prudent and take into account the financial health of the Group in deciding the types of property development and/or investment projects it undertakes, and the amounts thereof.

2.6 Risk Factors Relating to the Proposed Diversification

To the best of the Directors' knowledge and belief, all the risk factors that are material to Shareholders in making an informed judgement on the Proposed Diversification into the Property Business are set out below. The Proposed Diversification involves a number of risks which relate to the property industry and countries in which the Group may operate as well as those which may generally arise from, *inter alia*, economic, business, market, political, liquidity, operational, legal and regulatory factors. These risks could materially change the risk profile of the Company.

Any of the risks described below or additional risks and uncertainties not presently known to the Company or the Group or that the Company or the Group currently deem immaterial may also impair the Company's or the Group's business, financial condition, operations and prospects. The risks and uncertainties described below are not intended to be exhaustive and are not the only risks and uncertainties that the Group may face.

Shareholders should evaluate carefully the following considerations and the other information in this Circular before deciding on how to cast their votes at the EGM. The risks set out below are the material risks which the Group faces following the Proposed Diversification. If any of the following considerations, risks or uncertainties develops into actual events, the business, financial condition, results of operations, cash flow and prospects of the Group may be materially and adversely affected.

Shareholders should consider the risk factors in light of your own investment objectives and financial circumstances and should seek professional advice from your accountant, stock brokers, bank managers, solicitors or other professional advisers if you have any doubt about the actions you should take.

2.6.1 The Group does not have much prior track record and operating history in the Property Business

While the Group can leverage on existing expertise from its operations in the F&B and Hospitality Business, it does not have prior track record in carrying out or implementing the full extent of the Proposed Diversification. Therefore, there is no assurance that the Group's foray into the Property Business will be commercially successful and that the Group will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from the Property Business. The Property Business may require high capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses.

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The Group's future plans with regard to the Property Business may not be profitable nor achieve profitability that justify the investments made and may take a long period of time before the Group can realise any return. Further, such future plans and new initiatives could result in potentially dilutive issuances of equity securities, the incurrence of capital commitments, debts and contingent liabilities as well as increased operating expenses, all of which may materially and adversely affect the financial performance of the Group.

The Property Business also involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the Property Business effectively, the overall financial position and profitability of the Group may be adversely affected.

2.6.2 **The Group may be unable to identify and secure new projects and leases of new sites to grow the Property Business**

The performance and success of the Property Business depends on the Group's ability to identify profitable projects and following such identification, to successfully implement and complete such projects. This ability may be negatively affected by various factors, including competition for new sites from other competitors, changes to the general economic conditions in countries where the Group intends to operate its Property Business. There is thus no guarantee that the Group will always be successful in identifying suitable projects or completing such projects profitably. The Group's inability to identify and secure leases of new sites at commercially acceptable prices could impair its ability to compete with other competitors and materially and adversely affect the Group's plans and growth prospects.

2.6.3 **The Group's performance may be affected by fluctuations in valuations of the investment properties and other assets**

The Property Business will require the Group to hold onto more physical assets in its name, which exposes it to greater risk and fluctuations in the open market that are beyond its control.

The fair values of the investment properties may be subject to reassessment for reporting purposes. Under the Singapore Financial Reporting Standards, gains or losses arising from changes in the fair value of the investment properties are included in the Group's income statement in the period in which they arise. However, fair value gains do not change the Group's overall cash position or liquidity as long as the Group continues to hold such investment properties.

The amount of fair value adjustments may also be subject to market fluctuations. The changes in market conditions may create fair value gains or losses on the group's investment properties. In particular, the fair value of the investment properties could decline in the event that, among other things, the real estate industry experiences a downturn as a result of government policies aimed at "cooling-off" the real estate market, or any global market fluctuations and economic downturn.

In addition, fair value gains of the Group's properties are based on valuations performed by an independent valuer and are calculated based on assumptions adopted by them. There is no assurance that the assumptions used by the independent valuer will be realised. Any decrease in the fair value of the Group's investment properties could lead to a decrease in fair value gains on investment properties in the Group's income statement which could adversely affect its financial performance.

2.6.4 **The Group may not be able to provide the capital investments needed to undertake the Property Business**

The Property Business may require strong financial holding power to maintain investment properties until a suitable price can be attained, which will likely require substantial capital investments or cash outlay. There is no assurance that financing, either on a short term or a long term basis, will be made available or, if available, that such financing can be obtained on commercially reasonable terms, in which event the Group's future plans and growth prospects will be adversely affected.

LETTER TO SHAREHOLDERS

Additional debt funding is subject to interest payments and interest rate fluctuations, and may also be subject to conditions that restrict or require consent for corporate restructuring, additional financing or fund raising, requirements on the maintenance of certain financial ratios. These conditions may reduce the availability of the Group's cash flow for capital expenditures, working capital and other general corporate purposes. In addition, these conditions may limit the flexibility of the Group in planning for, or reacting to, changes in the business or industry and increase the Group's vulnerability to general adverse economic and industry conditions.

Additional equity financing may result in a dilution to Shareholders' equity interests and may, in the case of a rights issue, require additional investments by Shareholders. Further, an issue of Shares below the then prevailing market price will also affect the value of Shares then held by investors. Dilution in Shareholders' equity interests may occur even if the issue of Shares is at a premium to the market price.

2.6.5 **We are dependent on key management personnel for the continued success and growth**

Our key management personnel, particularly, our CEO and Executive Chairman, Mr Alan Goh Keng Chian and the Chief Operating Officer of SOPL, Mr Goh Keng Hong, each have extensive experience and knowledge of the hospitality and property businesses. Our continued success and growth will depend, to a large extent, on our ability to retain the services of our CEO and the Chief Operating Officer of SOPL. The loss of services of any key management personnel without suitable and timely replacements may materially and adversely affect our business and financial performance. Further, in order to attract and/or retain any key management personnel, we may need to increase employee compensation levels substantially resulting in increase of costs and thus, affecting our financial performance. As at the Latest Practicable Date, there are no key person insurance maintained by the Company.

2.6.6 **The Property Business may be affected by the spread or an outbreak of any contagious disease**

Any outbreak of any contagious disease, for instance, the recent COVID-19 outbreak, may lead to a significant disruption in the Property Business. The Group may be unable to proceed with any redevelopment or enhancement of acquired properties due to the control orders imposed by the government in view of any outbreak of any contagious disease. In addition, consumer sentiments may be adversely affected and the willingness of tenants to rent our properties will reduce.

2.6.7 **The Group's performance will be subject to macro-economic risks confronted by new businesses**

The Property Business may be affected by many factors beyond the Group's control. The fluctuating, volatile, and uncertain nature of any of the following factors (several of which are further elaborated below) that affect the economy or property market, whether globally or in any country in which the Group undertakes it, may adversely affect the business and test the Group's resilience to confront them:

- (i) economic, political, and social conditions;
- (ii) natural disasters, terrorism, and war;
- (iii) legal and regulatory changes;
- (iv) liquidity and risk aversion;
- (v) equity, debt, property, commodity, and other financial markets;
- (vi) interest rates and foreign currency exchange rates;
- (vii) inflation and consumer demand; and
- (viii) investor confidence levels.

LETTER TO SHAREHOLDERS

2.6.8 **The Group is subject to various government regulations in the Property Business**

The Property Business is exposed to the risks posed by current and potential future regulations and legislation that apply to the country or industry in which the Group operates and the countries or industries its clients operate. The Property Business may require certain statutory and regulatory licences, permits, consents and approvals to operate. These licences, permits, consents and approvals may be granted for fixed periods of time and may need to be renewed after expiry from time to time. The Group may not be able to apply for and obtain the relevant licences, permits, consents and approvals required for its projects or otherwise within the statutory time limits, and there can be no assurance that the relevant authorities will issue any such licences, permits, consents or approvals in time or at all. Failure by the Group to renew, maintain or obtain the required licences, permits, consents or approvals, or cancellation, suspension or revocation of any of its licences, permits, consents or approvals may result in the Group being unable to undertake the relevant segment of the Hospitality Business and/or in the interruption of its operations and may have a material adverse effect on its business.

The Group must also comply with the applicable laws and regulations in the Property Business, failing which the Group may be subject to penalties, have its licences or approvals revoked, or lose its right to own or manage its properties which may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects. Further, any changes in applicable laws and regulations could result in higher compliance costs and adversely affect the operations of the Group and the financial performance of the Group.

2.6.9 **The Group is subject to general risks associated with operating businesses outside Singapore**

The Group does not plan to restrict the Proposed Diversification to any specific geographical market. As such, there are risks inherent in operating businesses overseas, which include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding the Group's liability and enforcement, changes in local laws and controls on the repatriation of capital or profits. Any of these risks could adversely affect the Group's overseas operations and consequently, its business, financial performance, financial condition and operating cash flow.

In addition, if the governments of countries in which the Group operates tightens or otherwise adversely changes their laws and regulations relating to the repatriation of their local currencies, it may affect the ability of the Group's overseas operations to repatriate profits to the Group and, accordingly, the cash flow of the Group will be adversely affected.

2.6.10 **The Group is exposed to risks associated with acquisitions, joint ventures or strategic alliances**

Depending on available opportunities, feasibility and market conditions, the Group may participate in joint ventures, strategic alliances, acquisitions or other investment opportunities involving numerous risks, including the possible diversion of management attention from existing business operations and loss of capital or other investments deployed in such joint ventures, strategic alliances, acquisitions or opportunities. Furthermore, the Group is expected to rely on its joint venture partners at the initial stage of its foray into the Proposed Diversification and there is a risk that if any of its joint venture partners is unable to deliver its obligations or commitments under the joint venture (such as failure to perform according to the expertise expected of the joint venture partner or meet the financial obligations), it may result in additional costs to the Group. In such events, the Group's financial performance may be adversely affected.

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2.6.11 The Group may not have the ability or sufficient expertise to execute the Proposed Diversification

The Group's ability to successfully diversify into the Property Business is dependent upon its ability to adapt its existing knowledge and expertise and to understand and navigate the Property Business. There is no assurance that the Group will be able to hire and subsequently retain employees with the relevant experience and knowledge as the Group may have to depend on the expertise of certain individuals to provide guidance and/or its investment partners to undertake the projects coming within the Property Business. The Group may also appoint third party professionals and/or foster partnerships with various third parties to assist in undertaking the Property Business more effectively and efficiently. However, there is no assurance that these third parties will be able to deliver and/or that these partnerships will be successful. Accordingly, the Group may not be able to successfully implement the Property Business and this may adversely affect the Group's financial performance and profitability.

2.6.12 The Group may face intense competition from existing competitors and new market entrants in the Property Business

The Property Business is highly competitive, with strong competition from established industry participants who may have larger financial resources or stronger track records. The Group may not be able to provide comparable services at lower prices or respond more quickly to market trends than potential or existing competitors who may have larger financial resources and stronger track records.

There is no assurance that the Group will be able to compete effectively with its existing and future competitors and adapt quickly to changing market conditions and trends. In the event that the Group is not able to compete successfully against its competitors or adapt to market conditions, its business operations, financial performance and financial condition may be adversely affected.

2.6.13 The Group may not be able to generate adequate returns on its properties held for long-term investment purposes

Property investment is subject to varying degrees of risks. The investment returns available from real estate investments depend primarily on the amount of capital appreciation generated and income earned from the rental of the relevant properties and expenses incurred. The revenue derived from the disposal of such investment properties will depend on market conditions and levels of liquidity, which may be subject to significant fluctuations and therefore test the holding power of the Group.

The revenue derived from the rental of the relevant properties may be adversely affected by a number of factors, including but not limited to changes in market rates for comparable rentals, the inability to secure renewal of tenancies from tenants, the inability to collect rent due to bankruptcy or insolvency of tenants and the cost from ongoing maintenance, repair and re-letting. In the event that the Group acquires properties for investment and if the Group is unable to generate adequate returns for such investment properties that it acquires, its financial condition and results of operations may be adversely affected.

Further, invested properties are relatively illiquid, and the Group may be unable to convert real estate asset portfolio into cash on short notice. To facilitate a sale of illiquid property assets on short notice, the Group may have to lower the selling price substantially. Illiquidity of property assets also limits the Group's ability to vary its portfolio in response to changes in economic or other conditions in a timely manner. In the event of any adverse change in market conditions or in the event of a need to lower the prices of properties to effect the sale of properties, the Group may not be able to sell its property projects or property investments at above its costs, resulting in the Group suffering losses on the project or property and adversely affecting the Group's financial position.

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2.6.14 The Group is subject to risks inherent in investing in entities which it does not control and the manner in which it holds its investments and property interests

The Group may hold property investments through or make investments in entities that are not the Group's subsidiary and over which the Group does not have majority control. The performance of these entities and the Group's share of their results are subject to the same or similar risks relating to the Property Business described herein that affect the Group. There is no assurance that the Group will be able to influence management, operation, and performance of these entities through its voting rights in a manner which would be favourable to the Group, or at all. If all or any of these entities were to perform poorly, the Group's overall business, financial condition, results of operations and prospects may be adversely affected.

2.6.15 The Group may be exposed to risk of loss and potential liabilities that may not be covered by insurance

While the Group will, where appropriate, obtain insurance policies to cover losses with respect to its properties, the insurance obtained may not be sufficient to cover all potential losses. Examples of such potential losses include losses arising out of extraordinary events such as natural disasters like earthquakes or floods. Losses arising out of damage to the Group's properties not covered by insurance policies in excess of the amount it is insured would affect the Group's profitability. The Group may also have to commit additional resources, other than to meet the uninsured losses, to complete a project, which would also adversely affect the financial performance of the Group.

2.6.16 The Group's performance may be adversely affected by poor consumer demand or a loss or downturn of tenants

The Group's performance will be largely dependent on its ability to secure tenants for its available properties for lease – especially key and regular tenants. There is no assurance that all of any of the Group's tenants, especially its key and regular tenants, will renew or continue to renew their lease agreements with the Group, or that the new or renewed lease terms will be as favourable to the Group as the existing lease.

Any bankruptcy, insolvency, or downturn in the business of the Group's tenants, including their decision not to renew any lease or to terminate lease before it expires, will therefore adversely affect the Property Business. The renewal of the Group's lease agreement with its tenants will also depend on its ability to negotiate lease terms acceptable to all parties involved

In the event that any tenant does not renew its lease, the Group will need to find a replacement tenant or tenants, which could subject the Group to periods of vacancy and/or refitting for which the Group would not receive rental income, which in turn could adversely affect its rental income. In addition, there is no assurance that any substitute leases would be on terms that are as favourable as the existing leases.

2.6.17 The Property Business may be susceptible to fluctuations in foreign exchange rates that could result in the Group incurring foreign exchange losses

The revenue from the Property Business may be generated from overseas markets. To the extent that the Group's revenue, purchases and operating costs are not matched in the same currency and to the extent there are timing differences between invoicing and collection of payment, as the case may be, the Group may be exposed to any unfavourable fluctuations of such currencies of the jurisdictions in which the Group will be engaging in to conduct the Property Business, and the Group's operating results may be materially or adversely affected.

2.6.18 The Property Business will be subject to risks in relation to interest rate movements

The Property Business will face risks in relation to interest rate movements in particular as a result of the debts intended to be undertaken to finance the Property Business. Changes in interest rates will affect the Group's interest income and interest expense from short term deposits and other interest-bearing financial assets and liabilities. This could in turn have a material and adverse effect on the Group's net profits.

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2.7 Requirements under the Catalist Rules

Pursuant to Practice Note 10A of the Catalist Rules, Shareholders' approval is not required if a transaction will result in an expansion of an issuer's existing core business, unless such transaction changes the issuer's risk profile.

As the Property Business will involve a new business area which is substantially different and expanding from the Group's existing core business, it is envisaged that the Property Business will change the existing risk profile of the Group. Accordingly, the EGM will be convened by the Company to seek Shareholders' approval for the Proposed Diversification.

Pursuant to Rule 1014 of the Catalist Rules, a major transaction is a transaction where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds (i) for an acquisition, 75% but less than 100%, or (ii) for a disposal, 50% ("**Major Transaction**"). A Major Transaction must be made conditional upon approval by Shareholders. For further details on Rules 1006 and 1014, please refer to the Catalist Rules.

A Major Transaction does not include an acquisition or disposal which is, or in connection with, the ordinary course of an issuer's business or of a revenue nature. In addition, pursuant to Practice Note 10A of the Catalist Rules, save where the acquisition changes the risk profile of the issuer, shareholders' approval is not required for a Major Transaction if the acquisition will result in an expansion of the issuer's existing core business. Practice Note 10A of the Catalist Rules further states that the SGX-ST takes the view that it should not in normal circumstances require an issuer to seek shareholders' approval if the expansion is by way of an acquisition of a similar business, when other means to expand its business that are open to the issuer would not require shareholders' approval.

Thus, upon approval by Shareholders for the Proposed Diversification, any acquisition or disposal which is in, or in connection with, the Property Business, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the Property Business which will not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek for Shareholders' approval as and when potential transactions relating to the Property Business arise, even where they cross the thresholds of a "Major Transaction". This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company.

However, in accordance with the SGX-ST's recommended practice in relation to diversification of business, if an issuer has not operated in the new business space and did not provide sufficient information about the new business at the time when it is seeking shareholders' approval for the diversification mandate, where the issuer enters into the first Major Transaction involving the new business (the "**First Major Transaction**"), or where any of the figures computed based on Rule 1006 of the Catalist Rules in respect of several transactions involving the new business aggregated (the "Aggregated Transactions") over the course of a financial year exceeds 75%, such First Major Transaction or the last of the **Aggregated Transactions** will be made conditional upon shareholders' approval.

For the avoidance of doubt, notwithstanding that Shareholders' approval of the Proposed Diversification has been obtained,

- (i) Rule 1015 of the Catalist Rules will apply to acquisition of assets (including options to acquire assets) whether or not in the Company's ordinary course of business (which will include the Hospitality Business) and which results in any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeding 100% or results in a change in control of the Company. Such acquisitions must therefore be, amongst others, made conditional upon approval by Shareholders at a general meeting;

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- (ii) Chapter 9 of the Catalist Rules will continue to apply to any transaction which constitutes an interested person transaction (as defined under the Catalist Rules);
- (iii) The First Major Transaction or the last of the Aggregated Transactions will be made conditional upon Shareholders' approval, if applicable; or
- (iv) Part III of Practice Note 10A of the Catalist Rules will apply to acquisitions or disposals of assets (including options to acquire or dispose assets) which will change the risk profile of the Company. Such transactions must therefore be, amongst others, made conditional upon approval by Shareholders at a general meeting.

Pursuant to Rule 1005 of the Catalist Rules, separate transactions completed within the last 12 months may also be aggregated and treated as if they were one transaction in determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004 of the Catalist Rules.

The Company will be required to comply with any applicable and prevailing Catalist Rules as amended or modified from time to time.

3 PROPOSED ADOPTION OF KGL PERFORMANCE SHARE PLAN

3.1 Rationale

With the continued growth of the Group, the Group wishes to introduce a new compensation scheme that will promote higher performance goals, recognise exceptional achievement and retain key directors and employees within the Group.

The KGL PSP contemplates the award of fully-paid Shares to Participants after certain pre-determined benchmarks have been met. The Company believes that the KGL PSP will be more effective than pure cash bonuses in motivating employees to work toward pre-determined goals. The KGL PSP is designed to enable the Company to reward, retain and motivate employees to achieve superior performance. The KGL PSP will have the following benefits:

- (i) it provides an opportunity for each Participant to participate in the equity of the Company to align the interest of Participants with the interests of the Shareholders, thereby encouraging commitment, dedication, and loyalty towards the Group, as well as a stronger sense of identification with the Group's long-term objectives;
- (ii) it incentivises the achievement and maintenance of a high level of performance and contribution to the Group; and
- (iii) it attracts, rewards, and retains Participants whose contributions are crucial to the long-term profitability and sustainability of the Group.

3.2 Participation by Associates of a Controlling Shareholder in the KGL PSP

The employees of the Group and the Directors who are Associates of a Controlling Shareholder shall be eligible to participate in the KGL PSP if: (a) their participation in KGL PSP, and (b) the actual number and terms of the Awards to be granted to them have been approved by independent Shareholder of the Company in separate resolutions for each such person. The relevant employee and/or Director who are Controlling Shareholders and/or their Associates are required to abstain from voting on, and shall refrain from making any recommendation on, the resolutions in relation to the KGL PSP.

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3.2.1 Rationale and justification for participation by Associates of a Controlling Shareholder

The Company believes that as the KGL PSP is designed to motivate, retain and reward employees and Directors who contribute to the growth and profits of the Company, employees and Directors who are Associates of Controlling Shareholders should be entitled to the same benefits as other employees and should not be excluded from benefiting under the KGL PSP solely for the reason that they are Associates of Controlling Shareholders. It is in the Group's interest that these participants are given the incentive to continue to remain with the Group and contribute towards the Group's future progress and development.

In addition, it is noted that the terms of the KGL PSP do not differentiate between employees and Directors who are Associates of Controlling Shareholders and other Directors and employees who are not such persons. As such, employees and Directors who are Associates of Controlling Shareholders will be subject to the same rules as other employees.

The Board is of the view that there are sufficient safeguards against any abuse of the KGL PSP resulting from the participation of Directors and employees who are Associates of Controlling Shareholders.

3.2.2 Rationale and justification for participation by Mr Goh Keng Hong, being an Associate of a Controlling Shareholder in the KGL PSP

Mr Goh Keng Hong joined the Group in April 2020 as the chief operating officer of SOPL, a wholly-owned subsidiary of the Company. He is also the brother of Mr Alan Goh Keng Chian, the Executive Chairman and CEO and a Controlling Shareholder of the Company. As such, Mr Goh Keng Hong is an Associate of Mr Alan Goh Keng Chian. As at the Latest Practicable Date, Mr Goh Keng Hong does not hold any Shares.

Mr Goh Keng Hong was offered a scholarship by the Building Construction Authority in 1998 and graduated with a Bachelor of Architecture from the National University Singapore in 2002. He went on to graduate first in class with Master of Architecture from Technical University of Berlin in Germany in 2004. Recently, in March 2020, Mr Goh Keng Hong completed his Executive Master of Business Administration from Quantic School of Business & Technology, Washington, DC.

Mr Goh Keng Hong started his career in DP Architects Pte Ltd, which was one of the largest architectural practices globally, and worked in the same for five years until 2009, during which he was involved in winning several design competitions. He subsequently began his venture in business when he founded Ceris Media Pte. Ltd. which specializes in real estate marketing solutions through the use of technology, whose clients included established real estate developers. From 2011 to 2017, Mr Goh Keng Hong co-founded and worked in The Unchartered Co, a boutique hospitality and accommodation management company, which was managing various brands in boutique hotels, backpacker and student hostels, and serviced apartments in Hong Kong, Macau, Zhuhai, Tokyo and Singapore.

With his vast experience and expertise in the hospitality and architectural industry, Mr Goh Keng Hong has provided contributions to the development of the Group's hospitality business and has implemented various measures to improve the operations and management of the Group's hospitality business.

Taking into consideration Mr Goh Keng Hong's expertise, experience and credentials, the Directors are of the view that the proposed participation by Mr Goh Keng Hong is consistent with the Company's objectives to motivate and retain its key employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Group. The participation by Mr Goh Keng Hong in the KGL PSP will align his interests with the Company and will secure his commitment to the Group. Due to the above reasons, the Directors believe that Mr Goh Keng Hong deserves and should be allowed to participate in the KGL PSP.

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3.2.3 Rationale and justification for grant of Awards to Mr Goh Keng Hong

For the reasons set out in Section 3.2.2 above and taking into consideration the salary package of Mr Goh Keng Hong as the chief operating officer of SOPL, subject to and contingent upon the passing of Ordinary Resolution 3 at the EGM to be convened, the Directors propose to grant Awards to Mr Goh Keng Hong up to 1,450,000 Shares which shall be released and vested over a period of three years as follows:

- (i) 480,000 Shares in December 2020
- (ii) 480,000 Shares in May 2021
- (iii) 490,000 Shares in May 2022

Based on the total issued Shares of 231,521,008 as at the Latest Practicable Date, up to 34,728,151 Shares may be delivered pursuant to Awards granted under the KGL PSP (being 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company). Under the Rules of the KGL PSP, (a) the aggregate number of Shares available to eligible Controlling Shareholders shall not exceed 25% of the Shares available under the KGL PSP, and (b) the aggregate number of Shares available to each Controlling Shareholder or his Associate shall not exceed 10% of the Shares available under the KGL PSP. The aggregate number of Shares to be awarded under the Awards granted to Mr Goh Keng Hong of up to 1,450,000 Shares, represents approximately 4.17% of the Shares available under the KGL PSP.

3.3 **Additional Listing Application**

An application will be submitted by the Sponsor to the SGX-ST, for and on behalf of the Company for the listing and quotation of the New Shares to be allotted and issued pursuant to the vesting of Awards under the KGL PSP on the Catalist. The Company will make the relevant announcement(s) to notify the Shareholders when the listing and quotation notice from the SGX-ST is obtained.

Shareholders are advised that the listing and quotation notice shall not be taken as an indication of merits of the KGL PSP, the New Shares, the Company, its subsidiaries and their securities.

3.4 **Summary of the Rules of the KGL PSP**

The Rules of the KGL PSP are set out in **APPENDIX I** of this Circular, with a summary set out below.

3.4.1 Eligibility of Participants

The following persons are eligible to participate in the KGL PSP at the absolute discretion of the Committee:-

- (i) full-time employees of the Group who are of the age of 18 years and above; and
- (ii) Executive directors of the Company and its subsidiaries;

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

Persons who are Controlling Shareholders and their Associates shall not participate in the KGL PSP unless:-

- (a) written justification has been provided to Shareholders and been specifically approved by Shareholders of the Company for their participation at the introduction of the KGL PSP or prior to the first grant of Awards to them;

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- (b) the actual number and terms of any Awards to be granted to them 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 Controlling Shareholder; and
- (c) all conditions for their participation in the KGL PSP as may be required by the regulation of the SGX-ST from time to time are satisfied.

The eligibility of Participants to participate in the KGL PSP, and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the KGL PSP and the Vesting Period shall be determined at the absolute discretion of the Awards Committee, which shall take into account (i) the financial performance of the Group and (ii) the performance of the Participant if he is an Employee. With regard to Performance-related Awards, the extent of effort required to achieve the Performance Condition within the Performance Period shall also be considered.

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

3.4.2 Size of the KGL PSP

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

The aggregate number of Shares which may be issued and/or transferred pursuant to Awards granted under the KGL PSP 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 KGL PSP, 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% of the number of all issued Shares (excluding treasury shares and subsidiary holdings, as defined in the Companies Act) on the day preceding that date.

The aggregate number of Shares which may be issued and/or transferred pursuant to Awards granted under the KGL PSP on any date, to Participants who are Controlling Shareholders and their Associates, must not exceed 25% of the Shares available under the KGL PSP. The number of Shares available to each Controlling Shareholder and his Associate must not exceed 10% of the Shares available under the KGL PSP.

3.4.3 Duration of the KGL PSP

The KGL PSP shall continue to be in operation at the discretion of the Awards Committee for a maximum period of 10 years commencing on the Adoption Date, provided always that the KGL PSP 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 a general meeting and of any relevant authorities which may then be required.

The KGL PSP may be terminated at any time by the Awards Committee and by resolution of the Company in a general meeting, subject to all relevant approvals which may be required and if the KGL PSP is so terminated, no further Awards shall be granted by the Company hereunder.

Notwithstanding the termination of the KGL PSP, any Awards made to the Participants prior to such termination (whether fully or partially) will continue to remain valid.

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3.4.4 Awards

Awards granted under the KGL PSP represent the right of a Participant to receive fully-paid Shares free of charge, provided that certain prescribed Performance Conditions are met prior to the expiry of the prescribed Performance Period. These Performance Conditions shall take into account the Group's corporate objectives (eg. market competitiveness, business growth, and productivity growth) and a Potential Participant's performance (eg. sales growth, growth in earnings).

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

No minimum vesting period is prescribed under the KGL PSP and the length of such vesting period in respect of each Award shall be determined at the absolute discretion of the Awards Committee on a case-by-case basis. The Awards Committee may also make an Award at any time where in its opinion a Participant's performance and/or contribution justifies such Award.

3.4.5 Entitlement to Awards

The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Share Plan shall be determined at the absolute discretion of the Awards Committee.

3.4.6 Details of Awards

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

- (i) the Participant;
- (ii) the Date of Grant;
- (iii) the number of Shares which are the subject of the Award;
- (iv) the prescribed Vesting Period(s);
- (v) the extent to which Shares which are the subject of that Award shall be Released at the end of each prescribed Vesting Period; and
- (vi) in the case of a Performance-related Award, the Performance Period and the Performance Condition,

provided that (subject to certain exceptions), the Vesting Period(s) shall not be of shorter duration than the minimum vesting periods prescribed under the Catalist Rules in respect of employee share options.

As soon as reasonably practicable after making an Award, the Awards Committee shall send to each Participant an Award Letter confirming the Award and specifying, *inter alia*, the matters stated above.

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

An Award shall be personal to the Participant to whom it is granted and no Award or any rights thereunder shall 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, that Award shall immediately lapse.

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3.4.7 Events prior to vesting

There are special provisions in the KGL PSP dealing with the vesting and lapsing of Awards under certain circumstances, including but not limited to misconduct or bankruptcy of the Participant, the Participant ceasing to be in the employment of the Group for any reason whatsoever, the death of the Participant, and a take-over, winding-up, reconstruction, or amalgamation of the Company.

3.4.8 Operation of the KGL PSP

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

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

The Awards Committee shall have absolute discretion in determining whether to issue and allot New Shares or the delivery of existing Shares to the Participants upon vesting of their Awards by taking into consideration factors such as (but not limited to) the number of Shares to be delivered, the prevailing Market Price of the Shares, and the costs to the Company.

New Shares allotted and issued and existing Shares procured by the Company for delivery, on the release of an Award, shall be subject to all the provisions of the Constitution of the Company, and 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.

The Awards 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 Awards 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 Awards Committee may determine to be relevant.

3.4.9 Administration of the KGL PSP

The KGL PSP shall be administered by the Awards Committee in its absolute discretion, with such powers and duties as are conferred on it by the Board, provided that no member of the Awards Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him or held by him.

The Awards Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the KGL PSP) for the implementation and administration of the KGL PSP, to give effect to the provisions of the KGL PSP 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.

3.5 **Financial effects of the KGL PSP**

Details of the costs to the Company of granting Awards under the KGL PSP, and the allotment and issue of the New Shares would be as follows:

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3.5.1 Share Capital

Where the New Shares are issued to Participants, the KGL PSP will result in an increase in the Company's issued Shares. The number of New Shares issued will depend on, *inter alia*, the size of the Awards granted under the KGL PSP. In any case, the KGL PSP provides that the aggregate number of Shares available under it, when aggregated with the aggregate number of Shares available under any other share-based schemes of the Company, will be subject to the maximum limit of 15% of the Company's total issued Shares (excluding treasury shares and subsidiary holdings).

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

3.5.2 EPS

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

Although the KGL PSP will have a dilutive impact to the EPS where New Shares are issued pursuant to the KGL PSP, it should be noted that the delivery of Shares to Participants is contingent upon the Participants meeting the prescribed performance targets and conditions.

3.5.3 NTA

With reference to Section 3.5.5 below, the grant of Awards under the KGL PSP will result in a charge to the Company's profit and loss statement equal to the market value at which the existing Shares are purchased or the market value on the date at which New Shares are vested under the Awards. If New Shares are issued to Participants pursuant to the vesting of the Awards, there will be no effect on the NTA. If existing Shares are purchased for delivery to Participants, the NTA would decrease by the cost of the Shares purchased.

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

3.5.4 Dilutive Impact

The dilutive impact of the KGL PSP on the NTA per Share and the EPS will likely not be significant as it provides that the aggregate number of Shares available under it, when aggregated with the aggregate number of Shares available under any other share-based schemes of the Company, will be subject to the maximum limit of 15% of the Company's total issued Shares (excluding treasury shares and subsidiary holdings).

3.5.5 Potential Cost of Awards

The KGL PSP is considered a share-based payment that falls under the scope of the Singapore Financial Reporting Standard (International) 2. Participants will receive Shares and the Awards would be accounted for as equity-settled share-based transactions, as described below.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as an expense in the income statement with a corresponding increase in a reserve account over the Vesting Period. The total expense to be recognised over the Vesting period is determined with reference to the fair value of each Award granted on the Date of Grant. As at the end of each financial year, the Company will revise its estimated number of New Shares under the Awards that are expected to become exercisable on the Vesting Date recognising the effect of revision of estimates in the income statement with a corresponding adjustment to the reserve account over the remaining Vesting Period.

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The expense recognised in the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the Market Price of the Shares. This is known as a 'market condition'. If the Performance Condition is a market condition, the probability of the Performance Condition being met is taken into account in estimating the fair value of the Award granted on the Date of Grant, and no adjustments to the amounts charge to the income statement are made whether or not the market condition is met.

However, if the Performance Condition is not a market condition, the fair value per share of the Awards granted at the Date of Grant is used to compute the expense to be recognised in the income statement at each financial year ended, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, where the vesting conditions do not include a market condition, there would be no cumulative expense recognised in the incoming statement if the Awards do not ultimately vest.

3.6 Adjustments and alterations under the KGL PSP

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 KGL PSP,

may, at the option of the Awards Committee, be adjusted in such manner as the Awards 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.

Unless the Awards Committee considers an adjustment to be appropriate, 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 Shareholders (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

Subject to the above, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

Upon any adjustment being made pursuant to this Rule 10, 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.

Subject to the above or that no adjustment is required under the provisions of the KGL PSP, the Awards 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 above 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, fair and reasonable.

LETTER TO SHAREHOLDERS

3.7 Disclosures

In accordance with the Catalist Rules, the Company shall make the following disclosures in its annual report to the Shareholders for the duration of the KGL PSP:

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

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

- (c) Directors and employees of the parent company and its subsidiaries are not eligible to participate in the KGL PSP.
- (d) Participants were not required to pay for the grant of any Awards to them.

4 INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

The interest of the Directors and the Substantial Shareholders in the capital of the Company as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Directors / Substantial Shareholder				
Alan Goh Keng Chian ⁽¹⁾	2,207,400	0.95	202,720,908	88.51
Madaline Catherine Tan Kim Wah ⁽²⁾	–	–	204,928,308	88.51

Notes:

- (1) Mr Alan Goh Keng Chian is deemed to be interested in 104,860,404 ordinary shares registered in the name of HSBC (Singapore) Nominees Pte Ltd. He is also deemed to be interested in 97,860,504 ordinary shares held by his spouse Madaline Catherine Tan Kim Wah.
- (2) Ms Madaline Catherine Tan Kim Wah is deemed to be interested in 97,860,504 ordinary shares registered in the name of HSBC (Singapore) Nominees Pte. Ltd. She is also deemed to be interested in 107,067,804 ordinary shares held by her spouse, Mr Alan Goh Keng Chian.

Save as disclosed above, none of the Directors, Substantial Shareholders, or their Associates has any interest, direct or indirect, in the Proposed Diversification, proposed adoption of the KGL PSP and the proposed participation by and grant of Awards to Mr Goh Keng Hong under the KGL PSP other than through their respective shareholdings in the Company.

LETTER TO SHAREHOLDERS

5 DIRECTORS' RECOMMENDATIONS

- (a) Having considered, *inter alia*, the rationale for the Proposed Diversification, the Directors are of the opinion that the Proposed Diversification should contribute positively to the Company and Shareholders. Accordingly, the Board recommends that the Shareholders vote in favour of the Ordinary Resolution 1.
- (b) As Mr Alan Goh Keng Chian and Ms Madaline Catherine Tan Kim Wah are eligible to participate in the KGL PSP, they shall abstain from the Board's review and determination, and making recommendations to Shareholders on resolutions relating to the KGL PSP. Having considered, *inter alia*, the rationale for the proposed adoption of the KGL PSP, the Board (excluding Mr Alan Goh Keng Chian and Ms Madaline Catherine Tan Kim Wah) is of the opinion that it should contribute positively to the Company and Shareholders. Accordingly, the Board (excluding Mr Alan Goh Keng Chian and Ms Madaline Catherine Tan Kim Wah) recommends that the Shareholders vote in favour of the Ordinary Resolution 2.
- (c) Having considered, *inter alia*, the rationale for the proposed participation by and grant of Awards to Mr Goh Keng Hong, the Board (excluding Mr Alan Goh Keng Chian and Ms Madaline Catherine Tan Kim Wah) is of the opinion that it is in the best interests of the Company. Accordingly, the Board (excluding Mr Alan Goh Keng Chian and Ms Madaline Catherine Tan Kim Wah) recommends that the Shareholders vote in favour of the Ordinary Resolutions 3 and 4.

6 EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 42 to 45 of this Circular, will be held by electronic means on 26 June 2020 at 3.00 p.m. or immediately after the annual general meeting on the same day for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolutions set out in the notice of EGM.

7 ACTION TO BE TAKEN BY SHAREHOLDERS

- 7.1 Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings through a live webcast via their mobile phones, tablets or computers and/or (b) voting by proxy at the EGM.
- 7.2 The following are the alternative arrangements which have been put in the place for the EGM:

(a) Registration for live webcast

- (i) The EGM will be conducted only by way of electronic means and shareholders will not be able to physically attend the EGM. Shareholders or their proxy(ies) or representative(s) will be able to watch or observe the EGM proceedings through a 'live' webcast (audio-visual) or audio-only feed ("Webcast"). In order to do so, Shareholders must follow these steps:
- Shareholders who wish to watch the Webcast may register from 9.00 a.m. on 5 June 2020 and by 2.00 p.m. on 23 June 2020 by completing the registration form at <https://katrinagroup.com/AGM-registration/> for authentication of their status as Shareholders.
 - Upon successful authentication, the Shareholder or its proxy(ies) or representative(s) will receive an email containing details on how to join the Webcast by 5.00 p.m. on 25 June 2020. Please note that this email should not be forwarded to any other persons.

LETTER TO SHAREHOLDERS

- The EGM shall commence at 3.00 p.m. on 26 June 2020 (or as soon as practicable immediately following the conclusion of the Company's annual general meeting to be convened on the same day). Shareholders who have pre-registered for the AGM will be considered to have enrolled for the EGM.

- (ii) Shareholders or their proxy(ies) or representative(s) who did not receive the email by 5.00 p.m. on 25 June 2020 but have registered by the 23 June 2020 deadline, may contact the Company at info@katrinagroup.com.

(b) Submission of questions:

- (i) Shareholders or their proxy(ies) or representative(s) may submit questions relating to the resolutions to be tabled for approval at the EGM. In order to do so, all questions must be submitted by 2.30 p.m. on 16 June 2020 by email to info@katrinagroup.com.
- (ii) The Company will endeavour to respond to substantial and relevant questions (as may be determined by the Company in its sole discretion) via SGXNET or the Company's website (<https://katrinagroup.com/>) as far as possible on **22 June 2020**, or otherwise during the EGM through the live webcast.
- (iii) Please note that Shareholders will not be able to ask questions at the EGM during the live webcast, and therefore it is important for Shareholders to submit their questions by the above stipulated deadline.
- (iv) The Company will publish the Minutes of the EGM on the Company's website and on SGXNET within one month from the conclusion of the EGM.

(c) Proxy Voting

Shareholders will not be able to vote through live webcast on the resolutions to be tabled for approval at the EGM. Instead, if Shareholders (whether individual or corporate) wish to exercise their votes, they must submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf at the meeting:

- (i) Shareholders (whether individual or corporate) appointing the Chairman of the Meeting as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in proxy form, failing which the appointment will be treated as invalid.
- (ii) The proxy form can be submitted to the Company in hard copy form or by email:
 - if in hard copy by post, the proxy form must be lodged at the Company's registered office at 180B Bencoolen Street, #11-01, Singapore 189648; or
 - if by email, proxy form must be received by info@katrinagroup.com.

in either case, no later than **3.00 p.m. on 23 June 2020** (the "**Proxy Deadline**").

Shareholders who wish to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act (including SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including their respective SRS approved banks or depository agents) to submit their voting instructions by **3.00 p.m. on 15 June 2020** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf no later than the Proxy Deadline.

LETTER TO SHAREHOLDERS

8 ABSTENTION FROM VOTING

As the Controlling Shareholders and their Associates are entitled to participate in the KGL PSP, the Controlling Shareholders and their Associates shall abstain from voting in respect of their holdings of Shares at the EGM in respect of the Ordinary Resolutions 2, 3 and 4 and shall not accept appointments as proxies for voting at the EGM in respect of the Ordinary Resolutions 2, 3 and 4 unless specific instructions have been given in the proxy instrument on how the Shareholders wish their votes to be casted for the Ordinary Resolutions 2, 3 and 4.

Any Shareholder entitled to participate in the proposed KGL PSP shall abstain from voting at the EGM in respect of the Ordinary Resolutions 2, 3 and 4 and shall not accept appointments as proxies for voting at the EGM in respect of the Ordinary Resolutions 2, 3 and 4 unless specific instructions have been given in the proxy instrument on how the Shareholders wish their votes to be cast for the Ordinary Resolutions 2, 3 and 4.

9 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Diversification, proposed adoption of the KGL PSP and the proposed participation by and grant of Awards to Mr Goh Keng Hong under the KGL PSP the Company and its subsidiary, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

10 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by Shareholders at the registered office of the Company at 100 Beach Road, #16-09/13 Shaw Tower, Singapore 189702, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for FY2020; and
- (c) the Rules of the KGL PSP.

Yours faithfully
For and on behalf of the Board of Directors of
Katrina Group Ltd.

ALAN GOH KENG CHIAN
Executive Chairman and CEO

APPENDIX I

RULES OF THE KATRINA GROUP LTD. PERFORMANCE SHARE PLAN

1 KATRINA GROUP LTD. PERFORMANCE SHARE PLAN

The Katrina Group Ltd. Performance Share Plan herein shall, as modified or altered from time to time, and be referred to as the “KGL PSP”.

2 DEFINITIONS

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

“Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Adoption Date”	:	The date on which the KGL PSP is adopted by the Company in general meeting
“Associate”	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:- (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Auditors”	:	The auditors of the Company for the time being
“Award”	:	A contingent award of Shares granted under the KGL PSP
“Awards Committee”	:	The committee comprising the directors of the Company who are members of the Remuneration Committee of the Company for the time being, which is duly authorised and appointed by the Board to administer the KGL PSP
“Board”	:	The board of directors of the Company as at the date of this Circular
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited

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<i>“Companies Act”</i>	:	The Companies Act (Chapter 50) of Singapore, as amended, varied, or supplemented from time to time
<i>“Company”</i>	:	Katrina Group Ltd.
<i>“Constitution”</i>	:	The constitution of the Company, as amended or modified from time to time
<i>“control”</i>	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
<i>“Controlling Shareholder”</i>	:	A person (including a corporation) who: (a) holds directly or indirectly 15% or more of the total number of Shares in the Company; or (b) in fact exercises Control over the Company;
<i>“Date of Grant”</i>	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 0
<i>“Director”</i>	:	A person holding office as a director of the Company for the time being
<i>“Employee”</i>	:	An employee of the Group selected by the Awards Committee to participate in the KGL PSP
<i>“Group”</i>	:	The Company and its Subsidiaries
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in Securities
<i>“New Shares”</i>	:	The new Shares which may be allotted and issued from time to time pursuant to the release of Award granted under the KGL PSP;
<i>“Participant”</i>	:	The holder of an Award
<i>“Performance Conditions”</i>	:	In relation to a Performance-related Award, the conditions specified on the Date of Grant in relation to that Award
<i>“Performance-related Award”</i>	:	An Award in relation to which a Performance Condition is specified
<i>“Performance Period”</i>	:	In relation to a Performance-related Award, a period, the duration of which is to be determined by the Awards Committee on the Date of Grant, during which the Performance Condition is to be satisfied
<i>“Record Date”</i>	:	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)

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<i>“Released Award”</i>	:	An Award in respect of which the Vesting Period relating to Award has ended and which has been released in accordance with Rule 8
<i>“Rules”</i>	:	The rules of the KGL PSP, as the same may be amended from time to time
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“SFA”</i>	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
<i>“Share(s)”</i>	:	Ordinary share(s) in the share capital of the Company
<i>“Shareholders”</i>	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the persons to whose direct Securities Accounts maintained with CDP are credited with Shares. Any reference to Shares held by Shareholders shall include Shares standing to the credit of the respective Shareholder’s Securities Account
<i>“Subsidiary”</i>	:	Has the meaning ascribed to it in Section 5 of the Companies Act
<i>“Vesting”</i>	:	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
<i>“Vesting Date”</i>	:	In relation to Shares which are the subject of a Released Award, the date (as determined by the Awards Committee and notified to the relevant Participant) on which those Shares have vested pursuant to Rule 8
<i>“Vesting Period”</i>	:	In relation to an Award, a period or period, the duration of which is to be determined by the Awards Committee at the Date of Grant
<u>Currencies, Units and Others</u>		
<i>“S\$” or “\$” and “cents”</i>	:	Singapore dollar and cents respectively
<i>“%” or “per cent”</i>	:	Per centum or percentage

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

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RULES OF THE KATRINA GROUP LTD. PERFORMANCE SHARE PLAN

- 2.3 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.
- 2.4 Any reference to a time of a day in the KGL PSP is a reference to Singapore time.
- 2.5 Any reference in the KGL PSP 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 and used in the KGL PSP shall have the meaning assigned to it under the Companies Act.

3 OBJECTIVE OF THE KGL PSP

- 3.1 The KGL PSP is a performance incentive scheme which will form an integral part of the Group's incentive compensation programme.
- 3.2 The objectives of the KGL PSP are as follows:
- (i) to provide an opportunity for each Participant to participate in the equity of the Company to align the interest of Participants with the interests of the Shareholders, thereby encouraging commitment, dedication, and loyalty towards the Group, as well as a stronger sense of identification with the Group's long-term objectives;
 - (ii) to incentivise the achievement and maintenance of a high level of performance and contribution to the Group; and
 - (iii) to attract, reward, and retain Participants whose contributions are crucial to the long-term profitability and sustainability of the Group.

4 ELIGIBILITY OF PARTICIPANTS

- 4.1 The following persons are eligible to participate in the KGL PSP at the absolute discretion of the Committee:-
- (i) full-time employees of the Group who are of the age of 18 years and above; and
 - (ii) executive directors of the Company and its subsidiaries;
- who, in the opinion of the Committee, have contributed or will contribute to the success of the Group.
- 4.2 Persons who are Controlling Shareholders and their Associates shall not participate in the KGL PSP unless:-
- (a) written justification has been provided to Shareholders and been specifically approved by Shareholders of the Company for their participation at the introduction of the KGL PSP or prior to the first grant of Awards to them;
 - (b) the actual number and terms of any Awards to be granted to them 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 Controlling Shareholder; and
 - (c) all conditions for their participation in the KGL PSP as may be required by the regulation of the SGX-ST from time to time are satisfied.

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4.3 The eligibility of Participants to participate in the KGL PSP, and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the KGL PSP and the Vesting Period shall be determined at the absolute discretion of the Awards Committee, which shall take into account:

- (a) the financial performance of the Group; and
- (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

in addition, for Performance-related Awards, the extent of effort required to achieve the Performance Condition within the Performance Period shall also be considered.

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

5 LIMITATIONS UNDER THE KGL PSP

5.1 The aggregate number of Shares which may be issued and/or transferred pursuant to Awards granted under the KGL PSP 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 KGL PSP, 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% of the number of all issued Shares (excluding treasury shares and subsidiary holdings, as defined in the Companies Act) on the day preceding that date.

5.2 The aggregate number of Shares which may be issued and/or transferred pursuant to Awards granted under the KGL PSP on any date, to Participants who are Controlling Shareholders and their Associates, must not exceed 25% of the Shares available under the KGL PSP. The number of Shares available to each Controlling Shareholder and his Associate must exceed 10% of the Shares available under the KGL PSP.

6 GRANT OF AWARDS

6.1 Subject as provided in Rule 8, the Awards Committee may grant Awards to Employees as the Awards Committee may select in its absolute discretion, at any time during the period when the KGL PSP is in force.

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

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PROVIDED THAT subject to Rules 6.3 and 7, the Vesting Period(s) shall not be of shorter duration than the minimum vesting periods prescribed under the SGX-ST Listing Manual in respect of employee share options.

- 6.3 The Awards 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 Awards 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 Awards 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).
- 6.4 As soon as reasonably practicable after making an Award, the Awards 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.
- 6.5 Participants are not required to pay for the grant of Awards.
- 6.6 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 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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7 EVENTS PRIOR TO THE VESTING DATE

- 7.1 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) 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;
 - (c) ill health, injury, disability or death of a Participant;
 - (d) a Participant commits any breach of any of the terms of his Award;
 - (e) misconduct on the part of a Participant as determined by the Company in its discretion;
 - (f) a take-over, winding-up, reconstruction or amalgamation of the Company; and/or
 - (g) any other event approved by the Awards Committee.

For the purpose of Rule 7.1(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.

- 7.2 The Awards 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 7.1 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 7.1.
- 7.3 Without prejudice to the provisions of Rules 6.3 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 an arrangement or compromise between the Company and its Shareholders being sanctioned by the Court under the Companies Act;
 - (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,

the Awards Committee may consider, at its discretion, whether or not to Release such Award. If the Awards Committee decides to Release such Award, then in determining the number of Shares to be Vested in respect of such Award, the Awards 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 Awards 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.

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RULES OF THE KATRINA GROUP LTD. PERFORMANCE SHARE PLAN

8 RELEASE OF AWARDS

- 8.1 (a) In relation to each Performance-related Award, as soon as reasonably practicable after the end of the relevant Performance Period, the Awards 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 Awards 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 8.1(a)) shall be of no effect.

The Awards 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 Awards 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 Awards 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 Awards 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 Awards 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 KGL PSP, 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.
- (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 8.1(a) and, on the Vesting Date, the Awards 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.

APPENDIX I
RULES OF THE KATRINA GROUP LTD. PERFORMANCE SHARE PLAN

- 8.2 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.
- 8.3 New Shares allotted and issued, and existing Shares procured by the Company 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.

9 LIMITATION OF THE SIZE OF THE KGL PSP

The aggregate number of Shares which may be issued and/or transferred pursuant to Awards granted under the KGL PSP 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 KGL PSP, 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% of the number of all issued Shares (excluding treasury shares and subsidiary holdings, as defined in the Companies Act) on the day preceding that date.

10 ADJUSTMENT EVENTS

- 10.1 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 KGL PSP,

may, at the option of the Awards Committee, be adjusted in such manner as the Awards 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.

- 10.2 Unless the Awards Committee considers an adjustment to be appropriate, 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 Shareholders (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.
- 10.3 Notwithstanding the provisions of Rule 10.1, 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.
- 10.4 Upon any adjustment being made pursuant to this Rule 10, 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.

APPENDIX I
RULES OF THE KATRINA GROUP LTD. PERFORMANCE SHARE PLAN

10.5 Notwithstanding the provisions of Rule 10.1 or that no adjustment is required under the provisions of the KGL PSP, the Awards 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 10.1 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, fair and reasonable.

11 ADMINISTRATION OF THE KGL PSP

11.1 The KGL PSP shall be administered by the Awards Committee in its absolute discretion, with such powers and duties as are conferred on it by the Board, provided that no member of the Awards Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him or held by him.

11.2 The Awards Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the KGL PSP) for the implementation and administration of the KGL PSP, to give effect to the provisions of the KGL PSP 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.

11.3 The Company shall bear the costs of establishing and administering the KGL PSP.

12 NOTICES

12.1 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.

12.2 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.

12.3 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.

13 MODIFICATIONS TO THE KGL PSP

13.1 Any or all the provisions of the KGL PSP 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% 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; and

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RULES OF THE KATRINA GROUP LTD. PERFORMANCE SHARE PLAN

- (b) no modification or alteration shall be made to the rules of the KGL PSP which would be to the advantage of Participants except with the prior approval of the Shareholders of the Company in a general meeting..

13.2 Notwithstanding anything to the contrary contained in Rule 13.1, 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 KGL PSP in any way to the extent necessary to cause the KGL PSP to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

13.3 Written notice of any modification or alteration made in accordance with this Rule 13 shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

14 TERMS OF EMPLOYMENT UNAFFECTED

Notwithstanding the provisions of any other Rule:

- (a) the KGL PSP 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 KGL PSP or any right which he may have to participate in it or any Award which he may be granted and the KGL PSP or any Award shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever (whether lawful or not); and

- (b) the KGL PSP 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.

15 DURATION OF THE KGL PSP

15.1 The KGL PSP shall continue to be in operation at the discretion of the Awards Committee for a maximum period of 10 years commencing on the Adoption Date, provided always that the KGL PSP 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 a general meeting and of any relevant authorities which may then be required.

15.2 The KGL PSP may be terminated at any time by the Awards Committee and by resolution of the Company in a general meeting, subject to all relevant approvals which may be required and if the KGL PSP is so terminated, no further Awards shall be granted by the Company hereunder.

15.3 The termination of the KGL PSP shall not affect Awards which have been granted, whether such Awards have been Released (whether fully or partially) or not.

16 ANNUAL REPORT DISCLOSURE

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

- (a) the names of the members of the Awards Committee;

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RULES OF THE KATRINA GROUP LTD. PERFORMANCE SHARE PLAN

(b) information as required in the table below for the following Participants:

- (i) Participants who are Directors of the Company;
- (ii) Participants who are Controlling Shareholders and their Associates; and
- (iii) Participants, other than those in (i) and (ii) above, who receive Awards comprising 5% or more of the aggregate of the total number of Shares available under the KGL PSP:

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

(c) Directors and employees of the parent company and its subsidiaries are not eligible to participate in the KGL PSP.

(d) Participants were not required to pay for the grant of any Awards to them.

16.2 The Company shall also make the necessary disclosures in the form of announcements to Shareholders, in accordance with Rule 704(32) of the Catalist Rules.

17 ABSTENTION FROM VOTING

Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the KGL PSP. Participants may act as proxies of Shareholders of the Company in respect of the votes of such Shareholders in relation to any such resolution provided that specific instructions have been given in the proxy forms on how the votes are to be cast in respect of the resolution.

18 TAXES, COSTS, AND EXPENSES OF THE KGL PSP

18.1 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.

18.2 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 KGL PSP 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 KGL PSP.

19 DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Company, its Directors or employees or the Awards 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 KGL PSP, 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 8.1(c) (and any other stock exchange on which the Shares are quoted or listed).

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20 DISPUTES

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

21 GOVERNING LAW

The KGL PSP 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 KGL PSP, and the Company, submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

NOTICE OF EXTRAORDINARY GENERAL MEETING

KATRINA GROUP LTD.

(Company Registration Number: 201608344N)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Katrina Group Ltd. (the “**Company**”) will be held by way of electronic means on 26 June 2020 at 3.00 p.m. (or immediately after the conclusion of the Company’s annual general meeting to be convened on the same day) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions:

All capitalised terms used in this notice which are not otherwise defined shall have the same meanings as ascribed to them in the Company’s circular to its shareholders dated 4 June 2020.

ORDINARY RESOLUTION 1 - PROPOSED DIVERSIFICATION OF THE CURRENT CORE BUSINESS OF THE GROUP TO INCLUDE THE PROPERTY BUSINESS

That:

- (a) approval be and is hereby given for the diversification by the Group of its core business to include the business of property investment and development as described in Section 2.2 of the Company’s circular to the Shareholders dated 4 June 2020 (the “**Property Business**”), and any other activities related to the Property Business;
- (b) the Company be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares or interests in any entity that is in the Property Business on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts or things as they deem desirable, necessary or expedient or give effect to such investment, purchase, acquisition or disposal; and
- (c) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this ordinary resolution as they or he may think fit.

ORDINARY RESOLUTION 2 – THE PROPOSED ADOPTION OF THE KGL PERFORMANCE SHARE PLAN

That:

- (a) a share plan to be known as the KGL Performance Share Plan (the “**KGL PSP**”), the rules of which have been submitted to the meeting and, for the purpose of identification, under which awards (“**Awards**”) of fully paid-up ordinary shares in the capital of the Company (the “**Shares**”) will be granted, free of payment, to selected employees of the Group, details of which are set out in the circular to Shareholders dated 4 June 2020, be and is hereby approved;
- (b) the Directors of the Company be and are hereby authorised:
 - (i) to establish and administer the KGL PSP;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (ii) to modify and/or alter the KGL PSP from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the KGL PSP and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the KGL PSP; and
- (iii) subject to the same being allowed by law, to apply any shares purchased under any share buyback mandate towards the satisfaction of Awards granted under the KGL PSP;
- (c) the Directors of the Company be and are hereby authorised to grant Awards in accordance with the provisions of the KGL PSP and to allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the vesting of Awards under the KGL PSP, when added to all Shares, options, or awards granted under any other share option scheme, share award scheme or share incentive scheme of the Company then in force, shall not exceed 15% of the total issued share capital (excluding treasury shares and subsidiary holdings) of the Company from time to time.

ORDINARY RESOLUTION 3 – THE PROPOSED PARTICIPATION BY GOH KENG HONG, BEING AN ASSOCIATE OF A CONTROLLING SHAREHOLDER IN THE KGL PSP

That, subject and contingent upon the passing of Ordinary Resolution 2:-

- (a) Pursuant to Rule 852 of the Catalist Rules, approval be and is hereby given for the participation by Goh Keng Hong in the KGL PSP;
- (b) The Directors and each of them be and are hereby authorised to implement, effect, complete and do all such acts and things (including without limitation executing all such documents as may be required) as the Directors or any of them may consider necessary, desirable or expedient for the purposes of or in connection with and to give effect to this resolution as they or he may think fit.

ORDINARY RESOLUTION 4 – THE PROPOSED GRANT OF AWARDS TO GOH KENG HONG, BEING AN ASSOCIATE OF A CONTROLLING SHAREHOLDER IN THE KGL PSP

That, subject and contingent upon the passing of Ordinary Resolutions 2 and 3:-

- (a) Pursuant to Rule 852 of the Catalist Rules, the proposed grant of Awards comprising up to 1,450,000 Shares to Goh Keng Hong (who is regarded as an Associate of a Controlling Shareholder by the Committee administering the KGL PSP, be and is hereby approved; and
- (b) The Directors of the Company be and are hereby authorised to allot and issue 1,450,000 Shares, or transfer existing Shares procured by the Company, upon the release of the Awards.

By Order of the Board
KATRINA GROUP LTD.

ALAN GOH KENG CHIAN
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER
4 June 2020

NOTICE OF EXTRAORDINARY GENERAL MEETING

Important Notes:

In order to minimise the risk of community spread of COVID-19, the following steps have been put in place for the EGM:

(a) **Registration for live webcast**

- (i) The EGM will be conducted only by way of electronic means and shareholders will not be able to physically attend the EGM. Shareholders or their proxy(ies) or representative(s) will be able to watch or observe the EGM proceedings through a 'live' webcast (audio-visual) or audio-only feed ("**Webcast**"). In order to do so, Shareholders must follow these steps:
 - Shareholders who wish to watch the Webcast may register from **9.00 a.m. on 5 June 2020** and by **2.00 p.m. on 23 June 2020** by completing the registration form at <https://katrinagroup.com/AGM-registration/> for authentication of their status as Shareholders.
 - Upon successful authentication, the Shareholder or its proxy(ies) or representative(s) will receive an email containing details on how to join the Webcast by **5.00 p.m. on 25 June 2020**. Please note that this email should not be forwarded to any other persons.
 - The EGM shall commence at **3.00 p.m. on 26 June 2020** (or as soon as practicable immediately following the conclusion of the Company's annual general meeting to be convened on the same day). Shareholders who have pre-registered for the AGM will be considered to have enrolled for the EGM.
- (ii) Shareholders or their proxy(ies) or representative(s) who did not receive the email by **5.00 p.m. on 25 June 2020** but have registered by the 23 June 2020 deadline, may contact the Company at info@katrinagroup.com.

(b) **Submission of questions**

- (i) Shareholders or their proxy(ies) or representative(s) may submit questions relating to the resolutions to be tabled for approval at the EGM. In order to do so, all questions must be submitted by **2.30 p.m. on 16 June 2020** by email to info@katrinagroup.com.
- (ii) The Company will endeavour to respond to substantial and relevant questions (as may be determined by the Company in its sole discretion) via SGXNET or the Company's website (<https://katrinagroup.com/>) as far as possible on 22 June 2020, or otherwise during the EGM through the live webcast.
- (iii) Please note that Shareholders will not be able to ask questions at the EGM during the live webcast, and therefore it is important for Shareholders to submit their questions by the above stipulated deadline.
- (iv) The Company will publish the Minutes of the EGM on the Company's website and on SGXNET within one month from the conclusion of the EGM.

(c) **Proxy Voting**

Shareholders will not be able to vote through live webcast on the resolutions to be tabled for approval at the EGM. Instead, if Shareholders (whether individual or corporate) wish to exercise their votes, they must submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf at the meeting:

- (i) Shareholders (whether individual or corporate) appointing the Chairman of the Meeting as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in proxy form, failing which the appointment will be treated as invalid.
- (ii) The proxy form can be submitted to the Company in hard copy form or by email:
 - if in hard copy by post, the proxy form must be lodged at the Company's registered office at 180B Bencoolen Street, #11-01, Singapore 189648; or
 - if by email, proxy form must be received by info@katrinagroup.com.

in either case, no later than **3.00 p.m. on 23 June 2020** (the "**Proxy Deadline**").

Shareholders who wish to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act (including SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including their respective SRS approved banks or depository agents) to submit their voting instructions by **3.00 p.m. on 15 June 2020** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf no later than the Proxy Deadline.

Please note that the Company may be required to change the EGM arrangements at short notice based on the constantly-evolving COVID-19 situation, including any legislative amendments and directives or guidelines from government agencies or regulatory authorities. Any changes to the manner of conduct of the EGM will be announced by the Company on SGXNET. Shareholders are advised to check SGXNET and the Company's website (<https://katrinagroup.com/>) regularly for further updates.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Personal Data Privacy:

“Personal data” in this notice of EGM has the same meaning as “personal data” in the Personal Data Protection Act 2012, which includes the shareholder’s name and its proxy’s and/or representative’s name, address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to appoint the Chairman of the Meeting as proxy to attend, speak and vote at the EGM of the Company and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder’s and its proxy(ies)’s or representative(s)’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM of the Company (including any adjournment thereof), recording and transmitting images and voice recordings when broadcasting the proceedings electronically during the EGM, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”); (ii) warrants that where the shareholder discloses the personal data of the shareholder’s proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; (iii) undertakes that the shareholder will only use the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iv) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder’s breach of warranty. The shareholder’s personal data and its proxy’s and/or representative’s personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company’s verification and record purposes.

Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a shareholder of the Company (such as his/her name, his/her presence at the EGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

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PROXY FORM

KATRINA GROUP LTD.

(Company Registration No. 201608344N)
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT:

1. The Extraordinary General Meeting (“EGM” or “Meeting”) is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM are set out in the Company’s circular to Shareholders dated 4 June 2020 which has been uploaded together with this proxy form on SGXNET on the same day.
2. A member will not be able to attend the EGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. Members who hold shares through the relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 (including SRS investors and holders under depository agents) and who wish to appoint the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including SRS approved banks or depository agents) to submit their votes by **3.00 p.m. on 15 June 2020**.
4. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 4 June 2020.
5. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member’s proxy to vote on his/her/its behalf at the EGM.

(Please see notes overleaf before completing this form)

I/We* _____ (Name) NRIC/Passport number* _____

of _____ (Address)

being a member/members* of Katrina Group Ltd. (the “**Company**”), hereby appoint the **Chairman of the Meeting** as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting (the “**EGM**”) of the Company to be held by way of electronic means on 26 June 2020 at 3.00 p.m. (or immediately after the conclusion of the Company’s annual general meeting on the same day) and at any adjournment thereof. I/We direct the Chairman of the Meeting as my/our proxy to vote for or against or abstain from voting on the Resolutions to be proposed at the Meeting as indicated below. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the appointment of the Chairman of the Meeting as my/our proxy for that Resolution will be treated as invalid.

No.	Ordinary Resolutions	FOR	AGAINST	ABSTAIN
1.	To approve the Proposed Diversification			
2.	To approve the proposed adoption of the Katrina Group Ltd. Performance Share Plan (“ KGL PSP ”)			
3.	To approve the proposed participation of Goh Keng Hong, being an Associate of a Controlling Shareholders, in the KGL PSP			
4.	To approve the proposed grant of Awards to Goh Keng Hong, being an Associate of a Controlling Shareholders, in the KGL PSP			

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes for or against a resolution to be proposed at the EGM, please indicate with a “✓” in the space provided under “For” or “Against”. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution to be proposed at the EGM, please indicate with a “✓” in the space provided under “Abstain”. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote “For” or “Against” or to “Abstain” from voting. In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.)

Dated this _____ day of _____ 2020

Total number of Shares in	Number of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s)
and/or Common Seal of Corporate Shareholder

* Delete where inapplicable

IMPORTANT: PLEASE READ THE NOTES OVERLEAF



PROXY FORM

Notes:

1. If the member has shares entered against his name in the Depository Register, he should insert that number of shares. If the member has shares registered in his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by the member.
2. **A member will not be able to vote through the live webcast and voting is only through submission of proxy form. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM.** In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. The Chairman of the Meeting, as a proxy, need not be a member of the Company.
4. This instrument appointing the Chairman of the Meeting as proxy, must be submitted to the Company in the following manner:
 - if in hard copy by post, the proxy form must be lodged at the Company's registered office at 180B Bencoolen Street, #11-01, Singapore 189648; or
 - if by email, proxy form must be received by info@katrinagroup.com.

in either case, no later than **3.00 p.m. on 23 June 2020**.

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

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

5. A member of the Company who holds his Shares through a Relevant Intermediary* (including SRS investors) and who wishes to exercise his votes by appointing the Chairman of the Meeting as proxy should approach his Relevant Intermediary (including SRS Approved Bank) to submit his voting instructions by **3.00 p.m. on 15 June 2020**.

*Relevant Intermediary means:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
6. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
 7. Any alteration made in this instrument appointing the Chairman of the Meeting as proxy, must be initialled by the person who signs it.

General:

The Company shall be entitled to reject an instrument appointing the Chairman of the Meeting as proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing the Chairman of the Meeting as proxy if the member, being the appointer, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of EGM of the Company dated 4 June 2020.