

**CIRCULAR DATED 7 JANUARY 2026**

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

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

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

This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made, or reports contained in this Circular.

This Circular has been made available on SGXNet. A physical copy of this Circular will not be despatched to shareholders.



**PNE INDUSTRIES LTD**

(Registration Number: 199905792R)

(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

- (1) THE PROPOSED ADOPTION OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026;**
- (2) THE PROPOSED GRANT OF OPTIONS UNDER THE PNE EMPLOYEE SHARE OPTION SCHEME 2026 AT A DISCOUNT; AND**
- (3) THE PROPOSED ADOPTION OF THE PNE PERFORMANCE SHARE PLAN 2026**

**IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form	: 19 January 2026 at 9.30 a.m.
Date and time of Extraordinary General Meeting	: 22 January 2026 at 9.30 a.m. (or immediately after the conclusion of the Annual General Meeting of the Company to be held at 9.00 a.m. on the same day and at the same place)
Place of Extraordinary General Meeting (“ <b>EGM</b> ”)	: The EGM will be held at Emerald Suite @ Golf Clubhouse, Orchid Country Club, 1 Orchid Club Road, Level 2, Singapore 769162

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## DEFINITIONS

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For the purpose of this Circular, the following definitions have, where appropriate, been used:

- “Act”** : The Companies Act 1967 of Singapore, as amended or modified from time to time
- “AGM” or “Annual General Meeting”** : Annual general meeting of the Company
- “Associate”** : (a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or a Controlling Shareholder (being an individual) means:
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more;
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more
- “Auditor”** : The auditor for the time being of the Company
- “Award”** : A contingent award of Shares or Options (as the case may be) granted under the PNE PSP or PNE ESOS (as the case may be)
- “Award Date”** : In relation to an Award, the date on which the Award is granted
- “Award Letter”** : A letter in such form as the Committee shall approve, confirming an Award granted to a Participant by the Committee
- “Board”** : The board of Directors of the Company for the time being
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 7 January 2026
- “Committee”** : A committee comprising Directors duly authorised, appointed and nominated by the Board to administer the PNE PSP and PNE ESOS (as the case may be) respectively, which shall be the Remuneration Committee of the Company from time to time

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## DEFINITIONS

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<b>“Company” or “PNE”</b>	:	PNE Industries Ltd, a company incorporated in the Republic of Singapore
<b>“Constitution”</b>	:	The constitution of the Company as at the date of this Circular
<b>“Control”</b>	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
<b>“Controlling Shareholder”</b>	:	A person who:  (a) holds directly or indirectly fifteen per cent. (15%) or more of the nominal amount of all voting shares in the Company; or  (b) in fact exercises Control over the Company
<b>“Council”</b>	:	The Securities Industry Council
<b>“Director”</b>	:	A Director of the Company for the time being
<b>“EGM”</b>	:	Extraordinary general meeting to be held on 22 January 2026 at 9.30 a.m. (or immediately after the conclusion of the AGM of the Company to be held at 9.00 a.m. on the same day and at the same place), notice of which is given on page N-1 of this Circular
<b>“EPS”</b>	:	Earnings per Share
<b>“Exercise Price”</b>	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option
<b>“Group”</b>	:	The Company and its Subsidiaries
<b>“Group Executive Director”</b>	:	A director of the Company and/or any of its Subsidiaries, as the case may be, who performs an executive function
<b>“Group Employee”</b>	:	A full-time employee (including any Director who performs an executive function and who meets the relevant criteria) of the Group selected by the Committee to participate in the PNE PSP and/or PNE ESOS (as the case may be)
<b>“Group Non-Executive Director”</b>	:	A director of the Company and/or any of its Subsidiaries, as the case may be, other than a Group Executive Director but including an Independent Director
<b>“Incentive Option”</b>	:	An Option granted with the Exercise Price set at a discount to the Market Price
<b>“Independent Director”</b>	:	An independent director of the Company
<b>“Latest Practicable Date”</b>	:	31 December 2025, being the latest practicable date prior to the electronic dissemination of this Circular

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## DEFINITIONS

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<b>“Listing Manual”</b>	: Rules of the Main Board of the SGX-ST in force as at the Latest Practicable Date
<b>“Main Board”</b>	: The Main Board of the SGX-ST
<b>“Market Day”</b>	: A day on which the SGX-ST is open for trading of securities
<b>“Market Price”</b>	: A price equal to the average of the last dealt prices for the Shares on the SGX-ST over the five (5) consecutive Trading Days immediately preceding the Date of Grant of that Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices
<b>“Market Price Option”</b>	: An Option granted with the Exercise Price set at the Market Price
<b>“month”</b>	: Calendar month
<b>“NTA”</b>	: Net tangible assets
<b>“Option”</b>	: The right to subscribe for Shares granted or to be granted to a participant pursuant to the PNE ESOS and for the time being subsisting
<b>“Participants”</b>	: The persons for the time being who have been granted Awards and a “Participant” shall be construed accordingly
<b>“Performance Conditions”</b>	: In relation to a performance-related Award, the performance condition(s) prescribed by the Committee to be fulfilled by a Participant for any particular period
<b>“PNE ESOS” or “Employee Share Option Scheme”</b>	: The proposed PNE Employee Share Option Scheme 2026, the terms of which are set out in Appendix A to this Circular, as may be amended, modified or supplemented from time to time
<b>“PNE PSP” or “Performance Share Plan”</b>	: The proposed PNE Performance Share Plan 2026, the terms of which are set out in Appendix B to this Circular, as may be amended, modified or supplemented from time to time
<b>“Proposed Adoption of the Employee Share Option Scheme”</b>	: The proposed adoption of the Employee Share Option Scheme
<b>“Proposed Adoption of the Performance Share Plan”</b>	: The proposed adoption of the Performance Share Plan
<b>“Proposed Grant of Discounted Options”</b>	: The proposed grant of Options under the Employee Share Option Scheme at a discount subject to the rules of the Employee Share Option Scheme
<b>“P&amp;L”</b>	: Has the meaning given in Paragraph 2.4(a)

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## DEFINITIONS

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<b>“Remuneration Committee”</b>	: The remuneration committee for the time being of the Company
<b>“Required Price”</b>	: In relation to the offer required to be made under the provisions of Rule 14.1 of the Take-over Code, the offer shall be in cash or be accompanied by a cash alternative at a price in accordance with Rule 14.3 which is the highest of the highest price paid by the offerors and/or person(s) acting in concert with them for the Company’s Shares (i) during the offer period and within the preceding six (6) months, (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within six (6) months of the offer and during the offer period, or (iii) acquired through the exercise of rights to subscribe for securities which carry voting rights within six (6) months of the offer or during the offer period; or at such price as determined by Council under Rule 14.3 of the Take-over Code
<b>“Securities Accounts”</b>	: The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
<b>“SFA”</b>	: The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
<b>“SFRS(I) 2”</b>	: Has the meaning given in Paragraph 2.4(a)
<b>“SGX-ST”</b>	: Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	: Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
<b>“Shares”</b>	: Issued and fully-paid ordinary shares in the capital of the Company
<b>“Subsidiaries”</b>	: The subsidiaries of a company (as defined in Section 5 of the Act) and “Subsidiary” shall be construed accordingly
<b>“Substantial Shareholder”</b>	: A person who has an interest (directly or indirectly) in the Shares which is not less than five per cent. (5%) of the issued shares in the capital of the Company
<b>“Take-over Code”</b>	: Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time
<b>“Trading Day”</b>	: A day on which the Shares are traded on the SGX-ST
<b>“Treasury Shares”</b>	: Shares purchased or otherwise acquired by the Company pursuant to a share purchase mandate and held by the Company in accordance with Section 76H of the Act

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## DEFINITIONS

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

**"S\$"** : Singapore dollars

**"%" or "per cent."** : Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively by Section 130A of the Act.

The terms "**subsidiary**" shall have the same meaning ascribed to it in 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.

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

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the said Act.

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

Any reference in this Circular to shares being allotted to a person includes allotment to CDP for the account of that person.

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

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

Dentons Rodyk & Davidson LLP has been appointed as the legal adviser to the Company in relation to the drafting of this Circular.

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## LETTER TO SHAREHOLDERS

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### PNE INDUSTRIES LTD

(Registration Number: 199905792R)  
(Incorporated in the Republic of Singapore)

#### Directors

Mr Wong Tuck Seng	(Independent Chairman)
Mr Tan Koon Chwee	(Managing Director)
Mr Tan Kong Leong	(Executive Director)
Mr Wang RenWei	(Independent Director)
Mr Tan Tee Ching	(Non-Independent and Non-Executive Director)

#### Registered Office

996 Bendemeer Road #07-06  
Singapore 339944

7 January 2026

To: **The Shareholders of PNE Industries Ltd**

- (a) The Proposed Adoption of the Employee Share Option Scheme;
- (b) The Proposed Grant of Options under the Employee Share Option Scheme at a Discount; and
- (c) The Proposed Adoption of the Performance Share Plan.

Dear Shareholder

### 1. INTRODUCTION

**1.1** The purpose of this Circular is to provide Shareholders with the relevant information pertaining to, and to seek Shareholders' approval at the EGM to be held on 22 January 2026 for the following:

- (a) the Proposed Adoption of the Employee Share Option Scheme, the rules of which are set out in Appendix A of this Circular;
- (b) the Proposed Grant of Discounted Options under the Employee Share Option Scheme; and
- (c) the Proposed Adoption of the Performance Share Plan, the rules of which are set out in Appendix B of this Circular.

**1.2** The notice of the EGM is set out on page N-1 of this Circular.

**1.3** Shareholders should note that each of Ordinary Resolution 1 relating to the Proposed Adoption of Employee Share Option Scheme and Ordinary Resolution 3 relating to the Proposed Adoption of the Performance Share Plan are independent, and the passing of Ordinary Resolution 1 or 3 are not conditional upon the passing of any other resolution tabled at the EGM. The passing of Ordinary Resolution 2 relating to the Proposed Grant of Discounted Options under the Employee Share Option Scheme is conditional upon the passing of Ordinary Resolution 1.

**1.4** An application has been made to the SGX-ST for the listing and quotation notice for the listing of and quotation for the new Shares which may be issued from time to time pursuant to the PNE ESOS and the PNE PSP. An appropriate announcement will be made upon receipt of the listing and quotation notice from the SGX-ST.

**1.5** The SGX-ST assumes no responsibility for any statements made, opinion expressed or reports contained in the Circular.



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## LETTER TO SHAREHOLDERS

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### 2. PROPOSED ADOPTION OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026

#### 2.1 Background

The Company is proposing to adopt an employee share option scheme known as the "PNE Employee Share Option Scheme 2026" (the "**PNE ESOS**"), subject to Shareholders' approval being obtained at the EGM.

As at the Latest Practicable Date, the Company does not have any existing share option scheme, performance share plan or share incentive scheme in force.

*Capitalised terms used in this section, unless otherwise defined within this section, shall bear the meanings as defined in the "Rules of the PNE Employee Share Option Scheme 2026" as set out in Appendix A of this Circular.*

#### 2.2 Rationale for the PNE ESOS

The PNE ESOS is a share incentive scheme. The PNE ESOS is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group. The purpose of the PNE ESOS is to provide an opportunity for directors and employees of the Group to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed to the success of the Company and the Group. The PNE ESOS will also structure a competitive remuneration package, which is designed as an additional incentive tool to reward and retain employees, as well as to recognise their contribution to the Group.

The PNE ESOS will allow Participants an opportunity to participate in the equity of the Company with a view to achieving the following objectives:

- (a) to align the interests of the Participants with those of the Shareholders so as to motivate the Participants to contribute towards the future growth and profitability of the Group, and hence increase Shareholders' value in the longer term;
- (b) to attract potential employees with relevant skills to contribute to the Group and to create value for our Shareholders;
- (c) to retain key employees of the Group whose contributions are essential to the long-term growth and profitability of the Group;
- (d) to promote greater dedication, long-term commitment, loyalty and a sense of identification with the Group;
- (e) to motivate and incentivise Participants to achieve performance targets, and to aspire towards higher standards of performance and efficiency; and
- (f) to promote cohesiveness and team spirit through common ownership of equity in the Company.

#### 2.3 Summary of Rules of the PNE ESOS

The rules of the PNE ESOS are set out in Appendix A of this Circular. A summary of the rules of the PNE ESOS is set out as follows:

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## LETTER TO SHAREHOLDERS

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(a) Eligibility for Participation

The following persons are eligible to participate in the PNE ESOS at the absolute discretion of the Committee, provided that each such person has attained the age of 21 years and is not an undischarged bankrupt and has not entered into a composition with his/her creditors:

- (i) full-time confirmed Group Employees who hold such rank as may be designated by the Committee (including any Group Executive Director who meets the relevant criteria and who shall be regarded as a Group Employee for the purposes of the PNE ESOS); and
- (ii) Group Non-Executive Directors (including independent Directors); and
- (iii) Controlling Shareholders and their Associates,

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 who satisfy the criteria set out in the PNE ESOS shall be eligible to participate in the PNE ESOS, at the absolute discretion of the Committee, provided that, *inter alia*, (i) written justification has been provided to Shareholders (i.e. a circular, letter or notice proposing such a resolution with a clear rationale for the number and terms (including Exercise Price) of the Options to be granted) for such person's participation at the introduction of the PNE ESOS or prior to the first Grant of Options to him; and (ii) his participation and the actual number and terms of any Options to be granted to him have been specifically approved by independent Shareholders in a general meeting in separate resolutions for each such person. However, it will not be necessary to obtain the approval of the independent Shareholders for the participation in the PNE ESOS of a Controlling Shareholder or his Associate who is, at the relevant time, already a Participant.

There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by the Company or any of the other companies within the Group. An Option shall be personal to the Participant to whom it is granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever unless with the prior approval of the Committee.

Subject to the Act and any requirements of the SGX-ST, the terms of eligibility for participation in the PNE ESOS may be amended from time to time at the absolute discretion of the Committee.

(b) Administration of the PNE ESOS

The PNE ESOS shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board. A Participant who is a member of the Committee shall not be involved in any deliberation or decision in respect of Options to be granted to him or held by him including, if applicable, abstaining from voting as a member of the Committee when the grant of Options to him is being considered.

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## LETTER TO SHAREHOLDERS

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The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the PNE ESOS) for the implementation and administration of the PNE ESOS, to give effect to the provisions of the PNE ESOS and/or to enhance the benefit of the Options and the Shares to the Participants, as the Committee may, in its absolute discretion, think fit.

Any matter pertaining or pursuant to the PNE ESOS, and any dispute and uncertainty as to the interpretation of the PNE ESOS, any rule, regulation or procedure thereunder or any rights under the PNE ESOS, shall be determined by the Committee.

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

Notwithstanding, any Option under the PNE ESOS granted by the Company will have to be made in accordance with, and in the manner prescribed by, the Act, the Listing Manual, the Constitution, the rules of the PNE ESOS and such other laws and regulations as may for the time being, be applicable.

(c) Size of the PNE ESOS

The aggregate number of Shares over which Options may be granted under the PNE ESOS on any date, when added to the aggregate number of Shares in respect of all options or awards granted under the PNE ESOS and any other share-based incentive schemes of the Company, will not exceed fifteen per cent. (15%) of the total number of all issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding the Date of Grant of an Option.

The aggregate number of Shares which may be issued or transferred pursuant to Options granted under the PNE ESOS to all Participants who are Controlling Shareholders and their Associates shall not exceed twenty-five per cent. (25%) of the Shares available under the PNE ESOS and such other share-based incentive schemes of the Company. The aggregate number of Shares which may be issued or transferred pursuant to Options granted under the PNE ESOS to each Participant who is a Controlling Shareholder or his Associate shall not exceed ten per cent. (10%) of the Shares available under the PNE ESOS and such other share-based incentive schemes of the Company.

The number of Shares in respect of which Options may be offered to any Participant for subscription in accordance with the PNE ESOS shall be determined at the absolute discretion of the Committee, which may take into account (where applicable) criteria such as designation, responsibilities, past performance, number of years of service, contributions to the Group and potential for future development of such person.

(d) Duration of PNE ESOS

The PNE ESOS will continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date on which the PNE ESOS is adopted by the Company in a general meeting, provided always that the PNE ESOS may continue beyond the above stipulated period with the approval of the Shareholders

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## LETTER TO SHAREHOLDERS

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by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The PNE ESOS may be terminated at any time by the Committee at its discretion, or by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the PNE ESOS is so terminated, no further Options shall be offered by the Company hereunder.

The termination, discontinuance or expiry of the PNE ESOS shall not affect Options which have been granted prior to such expiry or termination, whether such Options have been exercised (whether fully or partially) or not.

(e) Grant of Options

The Committee may grant Options at any time during the period when the PNE ESOS is in force, provided that (i) no Option shall be granted during the period commencing one (1) month before the announcement of the Company's half year and full year financial statements (if not required to do quarterly reporting, or such relevant period as prescribed under the Listing Manual) and (ii) in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, Options may only be granted on or after the second Market Day from the date on which such announcement is released.

In the event that a grant of an Option results in a contravention of any applicable law, subsidiary legislation or other regulation, such grant shall be null and void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.

An offer to grant an Option shall be made by way of a letter of offer to the Participant, subject to such amendments as the Committee may determine from time to time.

(f) Acceptance of Options

The grant of Options should be accepted by the Grantee within 30 days from the Date of Grant of that Option. Upon acceptance of the offer, the Grantee must pay the Company a consideration of S\$1.00.

The grant of an Option, if not accepted in the manner as provided in the PNE ESOS, shall, upon the expiry of the 30-day period, automatically lapse and become null, void and of no effect.

(g) Exercise Period

Subject as provided in the PNE ESOS and any other conditions as may be introduced by the Committee from time to time, a Market Price Option or an Incentive Option, as the case may be, will be exercisable, in whole or in part, as follows:

- (i) in the case of a Market Price Option, during the period commencing after the first anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee); and

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## LETTER TO SHAREHOLDERS

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- (ii) in the case of an Incentive Option, during the period commencing after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee).

(h) Exercise Price

Subject to any adjustment under the PNE ESOS, the Exercise Price for each Share in respect of which an Option is exercisable will be determined by the Committee, in its absolute discretion, on the Date of Grant, at:

- (i) a price equal to the Market Price; or
- (ii) a price which is set at a discount to the Market Price, provided that:
  - (1) the maximum discount will not exceed twenty per cent. (20%) of the Market Price (or such other percentage or amount as may be determined by the Committee and permitted by the SGX-ST); and
  - (2) the Shareholders in general meeting has authorised, in a separate resolution, the making of offers and grants of Options under the PNE ESOS at a discount not exceeding the maximum discount as aforesaid (for avoidance of doubt, such prior approval shall be required to be obtained once and, once obtained, shall unless revoked, authorise the making of offers and grants of Options under the PNE ESOS at such a discount for the duration of the PNE ESOS).

In determining the quantum of discount to the Exercise Price (if any), the Committee may take into consideration such factors in its absolute discretion, including but not limited to:

- (i) the performance of the Company and/or the Group;
- (ii) the years of service and individual performance (including the meeting of performance targets) of the eligible Participant;
- (iii) the contribution of the eligible Participant to the success of the Company and/or the Group; and
- (iv) the prevailing market conditions.

The ability to offer Options at a discount to the Market Price will allow flexibility in structuring the Options. Being able to offer Options at a discount is important in situations where it is more meaningful for the Company to recognise the performance of Participants as well as to motivate them to continue to excel or to maintain the competitiveness of its compensation strategy to attract and/or retain talents in the Group, through offering Options at a discount to the Market Price rather than paying cash bonus, as these Options would hold greater potential for capital appreciation than Options granted at the Market Price. The Company may also opt to grant Incentive Options where the market price of the Shares at the time of the grant of the Incentive Options may not be reflective of financial performance indicators.

The Company may utilise Options as a means to reward Participants for their performance as well as to motivate them to continue to excel, in circumstances such as an economic downturn when wages (including cash bonuses and annual wage

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supplements) are frozen or cut, where Options could be granted to supplement cash rewards in lieu of larger cash bonuses or salary increments. Merit-based cash bonuses or rewards may also be combined with grants of Market Price Options or discounted price options, as part of eligible Participants' compensation packages. The PNE ESOS will provide Participants with an incentive to focus more on improving the profitability of the Group and encourage greater dedication and loyalty of the Participants, thereby enhancing Shareholders' value when these are eventually reflected through the price appreciation of the Shares.

The Company is of the view that a maximum discount not exceeding twenty per cent. (20%) of the Market Price is sufficient to allow for flexibility in the PNE ESOS while minimising any potential dilutive effect to the Shareholders arising from the grant of Options under the PNE ESOS.

(i) Exercise of Options

Subject to the Listing Manual and prevailing legislation, the Company will have the flexibility to deliver Shares to Participants upon exercise of their Options by way of either (i) an allotment of new Shares; and/or (ii) a transfer of existing Shares, including any Shares held by the Company in treasury.

In determining whether to issue new Shares or to deliver existing Shares to Participants upon the exercise of their Options, the Company will take into account factors including:

- (i) the prevailing Market Price of the Shares;
- (ii) the financial performance of the Group;
- (iii) the cash position of the Group and the projected capital requirements;
- (iv) the dilution impact (if any);
- (v) the cost to the Company of either issuing new Shares or purchasing existing Shares to hold as treasury shares; and
- (vi) the liquidity of the Shares based on the average daily trading volume of the Shares, and in particular whether the repurchase by the Company of existing Shares to deliver to Participants upon exercise of their Options would materially impact the Market Price of the Shares.

Shares acquired by Participants upon the exercise of Options will rank in full for all entitlements, including dividends, rights, allotments or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which falls on or after the relevant exercise date of the Option, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

Where new Shares are allotted upon the exercise of an Option, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST (and any other stock exchange on which the Shares are quoted or listed) for permission to deal in and for quotation of such Shares, which may be issued upon exercise of such Option and the Shares (if any) which may be issued to such Participant pursuant to any adjustments in accordance with the Rules of the PNE ESOS.

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(j) Adjustment Events

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

- (i) the Exercise Price of the Shares, the class and/or number of Shares comprised in an Option to the extent unexercised; and/or
- (ii) the class and/or number of Shares over which additional Options may be granted under the PNE ESOS,

shall be adjusted in such manner as the Committee may deem appropriate to give such Participant the same proportion of the equity capital of the Company as that to which he was previously entitled, subject to the rules of the PNE ESOS.

Unless the Committee considers an adjustment to be appropriate:

- (i) the issue of securities as consideration for an acquisition or a private placement of securities;
- (ii) 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;
- (iii) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting; and/or
- (iv) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company,

will not normally be regarded as a circumstance requiring adjustment.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Company's auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable. In addition, no adjustment shall be made in such a way that any Participant receives a benefit that a Shareholder does not receive.

(k) Events prior to the exercise of Options

Unless otherwise decided by the Committee at its absolute discretion, an Option shall, to the extent unexercised, immediately lapse without any claim whatsoever against the Company, *inter alia*:

- (i) If not accepted in the manner as provided in the PNE ESOS, as set out in Paragraph 2.3(f) above;
- (ii) upon the Participant ceasing to be a Group Employee or a Director of the Group, for reason other than that covered in Rule 8.2 of the PNE ESOS;

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## LETTER TO SHAREHOLDERS

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- (iii) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option;
- (iv) in the event of any misconduct on the part of the Participant or any serious breach of any regulation of the Group, as determined by the Committee in its absolute discretion; or
- (v) upon the company by which the Participant is employed or seconded ceasing to be a company within the Group, or the undertaking (or part thereof) being transferred otherwise than to another company within the Group.

If a Participant ceases to be employed by the Group by reason of, *inter alia*, (i) ill health, injury, death or disability, (ii) redundancy; (iii) retirement at or after the legal retirement age; (iv) retirement before the legal retirement age with the consent of the Committee; or (v) completion of the term of his service contract, or any other reason approved by the Committee, an outstanding and unexercised Option then held by a Participant shall lapse, without any claim whatsoever against the Company and/or its Directors, unless otherwise determined by the Committee in its absolute discretion. In exercising such discretion, the Committee shall determine the number of Shares comprised in that Option which may be exercised and the period during which such Option shall be exercisable (such Option may also be exercised notwithstanding that the date of exercise is before the first day of the Exercise Period relating thereto), or allow the Participant to exercise any outstanding and unexercised Option in accordance with the original vesting schedule applicable thereto.

If a Participant dies, any unexercised Option then held by a Participant shall lapse, without any claim whatsoever against the Company and/or its Directors, unless otherwise determined by the Committee in its absolute discretion. In exercising such discretion, the Committee shall determine the number of Shares comprised in that Option which may be exercised and the period during which such Option shall be exercisable (such Option may also be exercised notwithstanding that the date of exercise is before the first day of the Exercise Period relating thereto), or allow the Participant to exercise any outstanding and unexercised Option in accordance with the original vesting schedule applicable thereto, and such exercise of the Option may be carried out by the duly appointed legal personal representatives of the Participant.

The Rules of the PNE ESOS further provide for the lapse or earlier exercise of Options in certain circumstances such as the take-over or winding up of the Company.

(I) Modifications to the PNE ESOS

The Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST if required) amend or alter the PNE ESOS to the extent necessary or desirable, except that:

- (i) no modification or alteration shall alter adversely the rights attaching to any Option granted prior to such modification or alteration except when the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be allotted upon exercise in full of all outstanding Options;
- (ii) any modification or alteration to the advantage of Participants under the PNE ESOS shall be subject to Shareholders' approval in general meeting; and



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- (iii) no modification or alteration will be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary, and any modification or alteration shall comply with the Listing Manual.

(m) Abstention from Voting

Shareholders who are eligible to participate in the PNE ESOS are to abstain from voting on any Shareholders' resolution relating to the PNE ESOS, including any Shareholders' resolution relating to the implementation of the PNE ESOS, or the making of offers and grants of Options under the PNE ESOS at a discount not exceeding the maximum discount, or the participation by, and options granted to, Controlling Shareholders and/or their Associates, and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

(n) Disclosure in Annual Report

The Company will make the following disclosures in its annual report for the duration of the PNE ESOS:

- (i) The names of the members of the Committee administering the PNE ESOS;
- (ii) The information required in the table below for the following Participants:
- (1) Directors of the Company;
  - (2) Participants who are Controlling Shareholders and their Associates; and
  - (3) Participants (other than those in (i) and (ii) above) who receive five per cent. (5%) or more of the total number of Shares comprised in Options available under the PNE ESOS.

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

- (iii) In respect of options granted to Directors and employees of the Company or the Group:
- (1) the names of and number and terms of Options granted to each director or employee of the Company or the Group who receives five per cent. (5%) or more of the total number of Options available to all directors and employees of the Company and the Group under the Scheme during the financial year under review; and
  - (2) the aggregate number of Options granted to the directors and employees of the Company and the Group for the financial year under review, and since the commencement of the Scheme to the end of the financial year under review; and

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

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

### 2.4 Financial Effects of the PNE ESOS

(a) Potential Cost of Options

The grant of any Options under the PNE ESOS is considered a share-based payment that falls under the scope of the Singapore Financial Reporting Standard (International) 2 ("**SFRS(I) 2**"). Under SFRS(I) 2, the recognition of an expense in respect of Options granted under the PNE ESOS is required, as described in the following paragraphs.

The expense will be based on the fair value of the Options at each date of grant thereof, and will be recognised over the vesting period. The fair value is normally estimated by applying the option pricing model at the date of grant of such Options, taking into account the terms and conditions of the grant of Options and recognised as a charge to the Company's consolidated profit and loss statement ("**P&L**") over the vesting period.

Before the end of the vesting period and at the end of each accounting year, the estimate of the number of Options that are expected to vest in each Participant by the Vesting Date is revised, and the impact of the revised estimate is recognised in the consolidated P&L. After the Vesting Date, no adjustment of the charge to the consolidated P&L is made.

(b) Share Capital

The grant of Options under the PNE ESOS will result in an increase in the Company's number of issued Shares when new Shares are issued to Participants upon the exercise of the Options. The number of new Shares issued will depend on, *inter alia*, the number of Shares comprised in the Options, the number of Options that are exercised and the Exercise Price of the Shares comprised in the Options. However, if existing Shares are purchased for delivery to Participants in lieu of issuing new Shares to Participants, the PNE ESOS will have no impact on the Company's number of issued Shares.

(c) NTA

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

Although the PNE ESOS is likely to result in a charge to the Company's and the Group's income statements, it should be noted that Options are granted only on a selective basis and will be granted to Participants whom the Company believes would have contributed or will contribute significant value in its success including financial performance.

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(d) EPS

The PNE ESOS will have a dilutive impact (to the extent that new Shares are issued upon the exercise of Options granted under the PNE ESOS) on the consolidated EPS of the Company and the Group.

(e) Dilutive Impact

It is expected that any dilutive impact of the PNE ESOS on the NTA and the EPS of the Company and the Group would not be significant.

(f) Taxes

All taxes (including income tax) arising from the grant or exercise of any Option granted to any Participant under the PNE ESOS shall be borne by the respective Participant.

### 3. PROPOSED ADOPTION OF THE PNE PERFORMANCE SHARE PLAN 2026

#### 3.1 Background

In addition to the Proposed Adoption of PNE ESOS, the Company is also proposing to adopt a new performance share plan, known as the “PNE Performance Share Plan 2026” (the “**PNE PSP**”).

Under the PNE PSP, the Committee will determine the number of Shares in respect of which Awards may be offered to any Participant for subscription in accordance with the PNE PSP at the absolute discretion of the Committee, which may take into account (where applicable) criteria such as designation, responsibilities, past performance, number of years of service, contributions to the Group and potential for future development of such person.

As at the Latest Practicable Date, the Company does not have any existing share option scheme, performance share plan or share incentive scheme in force.

*Capitalised terms used in this section, unless otherwise defined within this section, shall bear the meanings as defined in the “Rules of the PNE Performance Share Plan 2026” as set out in Appendix B of this Circular.*

#### 3.2 Rationale for the PNE PSP

The PNE PSP contemplates the award of fully-paid Shares to Participants based on certain predetermined benchmarks set by the Committee during the duration of the PNE PSP. The Company believes that the PNE PSP will be more effective and rewarding than solely cash bonus payments in motivating employees to work towards pre-determined Company goals.

The PNE PSP is based on the principle of pay-for-performance and is designed to enable the Company to reward, retain and motivate employees to achieve superior performance. The purpose of adopting the PNE PSP is to give the Company greater flexibility to align the interests of employees with the interests of Shareholders. The PNE PSP enables the Company to:

- (a) provide an opportunity for Participants to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organisational commitment, dedication and loyalty of Participants towards the Group;

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- (b) foster an ownership culture within the Group which aligns the interests of Participants with the interests of shareholders;
- (c) motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Group;
- (d) give recognition to contributions made or to be made by Participants by introducing a variable component into their remuneration package; and
- (e) make employee remuneration sufficiently competitive to recruit and retain staff whose contributions are important to the long-term growth and profitability of the Group.

The PNE PSP will also provide the Participants who have contributed to the success and development of the Group with an opportunity to participate in the equity of the Company and to motivate them towards better performance through dedication and loyalty. The PNE PSP, which forms an integral and important component of a compensation plan, is designed to reward and retain the Group Employees whose continuous relentless services have contributed to the wellbeing and success of the Group.

### 3.3 Summary of Rules of the PNE PSP

The rules of the PNE PSP are set out in Appendix B of this Circular. A summary of the rules of the PNE PSP is set out as follows:

(a) Eligibility for Participation

The following persons are eligible to participate in the PNE PSP at the absolute discretion of the Committee, provided that, as at the Award Date, such person has attained the age of 21 years and is not an undischarged bankrupt and has not entered into a composition with his/her creditors:

- (i) full-time confirmed Group Employees who hold such rank as may be designated by the Committee (including any Group Executive Director who meets the relevant criteria and who shall be regarded as a Group Employee for the purposes of the PNE PSP);
- (ii) Group Non-Executive Directors (including independent Directors); and
- (iii) Controlling Shareholders and their Associates;

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 who satisfy the criteria set out in the PNE PSP shall be eligible to participate in the PNE PSP, at the absolute discretion of the Committee, provided that, *inter alia*, (i) written justification has been provided to Shareholders for such person's participation at the introduction of the PNE PSP or prior to the first Grant of Options to him; and (ii) his participation and the actual number and terms of any Options to be granted to him have been specifically approved by independent Shareholders in a general meeting in separate resolutions for each such person. However, it will not be necessary to obtain the approval of the independent Shareholders for the participation in the PNE PSP of a Controlling Shareholder or his Associate who is, at the relevant time, already a Participant.

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There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by the Company or any of the other companies within the Group.

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

(b) Administration of the PNE PSP

The PNE PSP shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board. A Participant who is a member of the Committee shall not participate in any deliberation or decision in respect of Awards to be granted to him or held by him.

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

Any matter pertaining or pursuant to the PNE PSP and any dispute and uncertainty as to the interpretation of the PNE PSP or any rule, regulation or procedure thereunder or any rights under the PNE PSP shall be determined by the Committee.

(c) Size of the PNE PSP

The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the PNE PSP on any date, when added to the aggregate number of Shares issued and issuable and/or transferred and transferrable in respect of all Awards granted under the PNE PSP and any other share-based incentive schemes of the Company and for the time being in force, will not exceed fifteen per cent. (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding that date.

The aggregate number of Shares which may be issued or transferred pursuant to Awards under the PNE PSP to Participants who are Controlling Shareholders and their Associates shall not exceed twenty-five per cent. (25%) of the Shares available under the PNE PSP and such other share-based incentive schemes of the Company. The aggregate number of Shares which may be issued or transferred pursuant to Awards under the PNE PSP to each Participant who is a Controlling Shareholder or his Associate shall not exceed ten per cent. (10%) of the Shares available under the PNE PSP and such other share-based incentive schemes of the Company.

The number of Shares in respect of which Awards may be offered to any Participant for subscription in accordance with the PNE PSP shall be determined at the absolute discretion of the Committee, which may take into account (where applicable) criteria such as designation, responsibilities, past performance, number of years of service, contributions to the Group and potential for future development of such person.

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(d) Duration of the PNE PSP

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

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

The expiry or termination of the PNE PSP shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

(e) Grant of Awards

Awards represent the right conferred by the Company on a Participant to be issued or transferred Shares in the Company, free of charge, in accordance with the PNE PSP, provided that certain prescribed performance condition(s) (if any) are met and upon expiry of the prescribed performance period.

The Committee may grant Awards to eligible Group Employees, Group Non-Executive Directors (including independent Directors), Controlling Shareholders and their Associates, and in each case, as the Committee may select in its absolute discretion, at any time during the period when the PNE PSP is in force, provided that (i) no Award shall be granted during the period commencing one (1) month before the announcement of the Company's half year and full year financial statements (if not required to do quarterly reporting, or such relevant period as prescribed under the Listing Manual) and (ii) in the event that an announcement on any matter involving unpublished price sensitive information is made, Awards may only be granted on or after the second Market Day from the date on which the aforesaid announcement is made.

The number of Shares in respect of which Awards may be offered to any Participant for subscription in accordance with the PNE PSP shall be determined at the absolute discretion of the Committee, which may take into account (where applicable) criteria such as designation, responsibilities, past performance, number of years of service, contributions to the Group and potential for future development of such person.

The Committee shall decide, in its absolute discretion, in relation to each Award:

- (i) the Participant;
- (ii) the Award Date;
- (iii) the number of Shares which are the subject of the Award;
- (iv) the performance condition(s) and the performance period during which such performance condition(s) are to be satisfied, if any;

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- (v) the vesting date of such Award; and
- (vi) any other condition which the Committee may determine in relation to that Award, provided that the requirements under the Listing Manual and any other regulations or requirements of the SGX-ST from time to time are complied with.

The Performance Condition in relation to each Award will be determined by the Committee in its discretion, taking into account the objective of setting incremental performance targets or benchmarks which are in line with the objectives of the Company and the Group, as well as criteria such as the past and current performance, number of years of service, market conditions, scope of work and responsibilities of such Participant and any other qualitative factors.

The Committee may amend or waive the Performance Period, the Performance Condition and/or the Release Schedule in respect of any Award and shall notify the Participants of such change or waiver:

- (a) in the event of a general offer (whether conditional or unconditional) being made for all or any part of the Shares or if under any applicable laws, a court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company; or
- (b) if anything happens which causes the Committee to conclude that:
  - (1) a changed Performance Condition and/or Release Schedule would be a fairer measure of the performance of a Participant, and would be no less difficult to satisfy; or
  - (2) the Performance Condition and/or Release Schedule should be waived, as the Participant has achieved a level of performance that the Committee considers satisfactory notwithstanding that the Performance Condition may not have been fulfilled or for any other reason,

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).

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

An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged, mortgaged, encumbered or otherwise disposed of, in whole or in part, except with the prior approval of the Committee 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 without the prior approval of the Committee, that Award or Released Award shall immediately lapse.

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(f) Acceptance of Awards

The grant of an Award to a Participant shall be accepted by the Participant within 15 days from the Award Date. The Participant may accept or refuse the whole but not part of the Award offered.

If the grant of an Award is not accepted by the Participant within 15 days from the Award Date, the Award offered shall, upon the expiry of the 15-day period, automatically lapse and shall forthwith become void and cease to have effect.

(g) Release of Awards

Subject to the prevailing legislation, the Listing Manual and the constitution of the Company, the Company will have the flexibility to deliver Shares to Participants upon vesting of their Awards by way of:

- (i) an allotment and issue of new Shares; and/or
- (ii) the transfer of existing Shares to the Participant, whether such existing Shares are purchased or acquired pursuant to a share buy-back mandate granted by Shareholders (including any renewal of such mandate) or (to the extent permitted by law) held as treasury shares.

In determining whether to issue new Shares or to deliver existing Shares to Participants on Release of their Awards, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing Market Price of the Shares, the financial and cash position of the Group and the financial effect on the Company of either issuing new Shares or delivering existing Shares.

Subject to such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to compliance with the terms of the PNE PSP and the Constitution of the Company, the Company shall, as soon as practicable after the Release of an Award, allot and issue the relevant Shares or transfer the treasury shares (as the case may be), and do such acts or things which are necessary for the transfer to be effective.

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 of and quotation for such Shares on the SGX-ST.

(h) Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, to a Participant on 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.

Shares which are allotted and issued or transferred to a Participant pursuant to the Release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of or encumbered, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The



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Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the Award Letter the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

(i) Events prior to Vesting

An Award shall, to the extent not yet Released, immediately lapse and become void and cease to have effect on the occurrence of any of the following events:

- (i) misconduct on the part of the Participant as determined by the Committee in its discretion;
- (ii) upon the Participant ceasing to be in the employment of or being a Director of the Group, for any reason whatsoever other than that covered in Rule 6.2(b) of the PNE PSP; or
- (iii) in the event of an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

In any of the following events:

- (i) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of or interest in an Award;
- (ii) where the Participant ceases to be in the employment of the Group by reason of, inter alia, ill health, injury or disability, redundancy, retirement at or after the legal retirement age, or any other event approved by the Committee at its absolute discretion;
- (iii) the death of the Participant; or
- (iv) any other event approved by the Committee at its absolute discretion,

the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition has been satisfied.

If before the Vesting Date, any of the following occurs:

- (i) a general offer (whether conditional or unconditional) being made for all or any part of the Shares;
- (ii) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under any applicable laws;
- (iii) an order for the compulsory winding-up of the Company is made; or

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- (iv) a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made,

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period which has elapsed and the extent to which the Performance Condition has been satisfied. Where such Award is Released, the 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 the rules of the PNE PSP.

(j) Adjustment Events

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

- (i) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
- (ii) the class and/or number of Shares in respect of which future Awards may be granted under the PNE PSP,

shall be adjusted in such manner as the Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.

Unless the Committee considers an adjustment to be appropriate, (i) the issue of securities as consideration for an acquisition or a private placement of securities, or (ii) 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.

The 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 notwithstanding that no adjustment is required under the PNE PSP (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.

(k) Abstention from Voting

Shareholders who are eligible to participate in the PNE PSP are to abstain from voting on any Shareholders' resolution relating to the PNE PSP, including any Shareholders' resolution relating to the implementation of the PNE PSP, or the participation by and

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Awards granted to, Controlling Shareholders and/or their Associates, and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

(l) Modifications to the PNE PSP

Any or all the provisions of the PNE PSP may be modified and/or altered at any time and from time to time by a resolution of the Board, except that:

- (i) 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 Performance Conditions for their Awards being satisfied in full, would become entitled to not less than seventy-five per cent. (75%) of the aggregate number of the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Conditions for all outstanding Awards being satisfied in full;
- (ii) any modifications or alterations which would be to the advantage of Participants under the PNE PSP shall be subject to prior approval of the Shareholders in general meeting; and
- (iii) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

(m) Disclosure in Annual Report

The Company will make the following disclosures in its annual report for the duration of the PNE PSP:

- (i) The names of the members of the Committee administering the PNE PSP;
- (ii) The information required in the table below for the following Participants:
  - (1) Directors of the Company;
  - (2) Participants who are Controlling Shareholders and their Associates; and
  - (3) Participants (other than those in (i) and (ii) above) who receive five per cent. (5%) or more of the total number of Shares available under the PNE PSP.

Name of Participant	Aggregate number of Shares comprised in Awards granted during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since commencement of the PNE PSP to the end of the financial year under review	Aggregate number of Shares comprised in Awards released since commencement of the PNE PSP to the end of the financial year under review	Aggregate number of Shares comprised in Awards not yet released as at the end of the financial year under review

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## LETTER TO SHAREHOLDERS

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- (iii) Such other information as may be required by the Listing Manual, the Act and all other applicable laws and requirements.

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

### 3.4 Financial Effects of the PNE PSP

(a) Potential Cost of Awards

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

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 by reference to the fair value of each Award granted on the date of grant. As at each financial year end, the Company will revise its estimated number of new Shares under the Awards that are expected to be delivered on the vesting date, and recognise the effect of the revision of estimates in the income statement with a corresponding adjustment to the reserve account over the remaining vesting period.

The expense recognised in the income statement also depends on whether or not the Performance Condition(s) 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(s) is a market condition, the probability of the Performance Condition(s) being met is taken into account in estimating the fair value of the Award granted at the Award Date, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met.

However, if the Performance Condition(s) is not a market condition, the fair value per Share of the Awards granted at the Award Date 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 income statement if the Awards do not ultimately vest.

(b) Share Capital

The grant of Awards under the PNE PSP will result in an increase in the Company's number of issued Shares where new Shares are issued to Participants. The number of new Shares issued will depend on, *inter alia*, the size of the Awards granted under the PNE PSP. However, if existing Shares are purchased for delivery to Participants in lieu of issuing new Shares to Participants, the PNE PSP will have no impact on the Company's number of issued Shares.

(c) NTA

The PNE PSP is likely to result in a charge to the Company's and the Group's income statements equal to the market value at which the existing Shares are purchased or the

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## LETTER TO SHAREHOLDERS

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market value on the date at which new Shares are issued 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.

Although the PNE PSP is likely to result in a charge to the Company's and the Group's income statements, it should be noted that Awards are granted only on a selective basis and will be granted to Participants whom the Company believes would have contributed or will contribute significant value in its success including financial performance. In particular, the grant of Awards and delivery of Shares to Participants of the PNE PSP, are contingent upon the Participants meeting prescribed Performance Condition(s). Therefore, Participants would have contributed to or will contribute to significant value add to the NTA of the Company and the Group before the Awards are granted and Shares delivered.

(d) EPS

The PNE PSP will result in a charge to 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 PNE PSP will have a dilutive impact (to the extent that new Shares are issued pursuant to the PNE PSP) on the EPS of the Company and the Group, the delivery of Shares to Participants in respect of Awards granted under the PNE PSP, is contingent upon the Participants meeting prescribed conditions.

(e) Dilutive Impact

It is expected that any dilutive impact of the PNE PSP on the NTA and the EPS of the Company and the Group would not be significant.

(f) Taxes

All taxes (including income tax) arising from the grant or vesting of any Award under the PNE PSP shall be borne by the respective Participant.

#### **4. RATIONALE FOR AND BENEFITS OF THE PROPOSED ADOPTION OF BOTH PNE EMPLOYEE SHARE OPTION SCHEME 2026 AND PNE PERFORMANCE SHARE PLAN 2026**

The Company wishes to introduce the PNE ESOS and the PNE PSP as new compensation schemes to allow the Company flexibility in its continuing efforts to attract, reward and retain employees and directors. Such share-based incentive schemes will provide an opportunity for the directors and employees of the Group to participate in the equity of the Company so as to motivate them towards better performance through increased dedication and loyalty, and to give recognition to their contributions and services.

The Company is of the view that the retention of talents as employees and directors of the Group is essential to the Group's long-term goal of achieving growth and profitability. The Company believes that share-based incentive schemes, such as the PNE ESOS and the PNE PSP, will be more effective and rewarding than solely cash bonus payments in motivating employees and directors to excel in their performance, as it fosters greater ownership in the Group through a stake in the equity of the Company.

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The PNE ESOS and the PNE PSP are thus proposed on the basis that it is paramount to retain employees and directors who possess the requisite skills and talents to contribute to the well-being and prosperity of the Group, and to give recognition to outstanding employees and directors of the Group who have contributed to the growth of the Group.

### Difference between the PNE ESOS and the PNE PSP

The introduction of both the PNE ESOS and the PNE PSP will allow the Company greater flexibility to tailor share-based incentive packages according to the Group's objectives. As different forms of share-based incentive schemes, the PNE ESOS and the PNE PSP will serve as complementary tools to attract, reward and retain employees and directors whose services and contributions are vital to the long-term prosperity of the Group.

The PNE PSP contemplates the award of fully-paid Shares, free of charge, to Participants after certain prescribed performance conditions have been met. As compared with the grant of Options, the award of fully-paid Shares free of charge is intended as a more attractive incentive package for Participants. In addition, the PNE PSP will allow the Company to prescribe forward-looking performance conditions to be achieved over a certain time period, which serves to motivate the Participants to higher levels of performance and align their performance conditions with the strategies and objectives for the Group in the short to medium term. This will ultimately create and enhance economic value for Shareholders.

The concurrent adoption of the PNE ESOS will serve to increase the Company's flexibility in tailoring compensation packages for employees and directors. Under the PNE ESOS, the Participants can be granted an opportunity to participate in the equity of the Company through the grant of Options. Following the elapse of certain specified periods, the Options can be exercised to acquire Shares upon payment of the Exercise Price. Via the PNE ESOS, the Company will be able to recognise and reward employees and directors for their past contributions and services to the Group, as well as motivate Participants to continue striving for the success of the Group.

In determining Performance Conditions of Awards under the PNE PSP, the Committee will seek to set incremental performance targets or benchmarks which are in line with the objectives of the Company and the Group and are designed to drive the improvement in performance of the Company and the Group as a whole, taking into account criteria such as the past and current performance, number of years of service, market conditions, scope of work and responsibilities of such Participant and any other qualitative factors. Depending on the performance condition prescribed, the number of Shares awarded may be determined based on the extent of the performance conditions met. In this regard, the PNE PSP envisages that such forward-looking performance conditions will motivate the Participants and align their performance targets with the strategies and objectives of the Group.

Conversely, the grant of Options under the PNE ESOS places a greater emphasis on rewarding the Participants for their service and performance, taking into account factors such as the designation, responsibilities, number of years of service, past performance, contributions to the Group and potential for future development of such Participant. In this regard, there are no specific performance conditions prescribed which have to be met before the Options may be exercised.

It is envisaged that the PNE PSP, complemented by the PNE ESOS, will allow the Group greater flexibility to offer and tailor competitive remuneration packages, which will serve to attract, reward and retain employees and directors effectively and motivate them to consistently

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## LETTER TO SHAREHOLDERS

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achieve performance targets, which will ultimately enhance Shareholders' value in the Company.

### **5. PARTICIPATION BY CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES AND OTHER DIRECTORS IN PNE EMPLOYEE SHARE OPTION SCHEME 2026 AND PNE PERFORMANCE SHARE PLAN 2026**

#### **5.1 Rationale and justification for participation of the Controlling Shareholders and their Associates**

The employees and/or the directors of the Group who are also Controlling Shareholders and/or their Associates shall be eligible to participate in the PNE ESOS and/or the PNE PSP if (a) their participation in the PNE ESOS and/or the PNE PSP (as the case may be), and (b) the actual number and terms of the Options and/or Awards to be granted to them have been approved by independent Shareholders of the Company in separate resolutions for each such person.

It is the intention of the Company that employees and/or the directors of the Group who are Controlling Shareholders and/or their Associates should be remunerated for their contribution to the Group on the same basis as other employees and/or directors who are not Controlling Shareholders and/or their Associates. Although the Controlling Shareholders already have shareholding interests in the Company, the extension of the PNE ESOS and the PNE PSP to allow the Controlling Shareholders and/or their Associates to participate in the PNE ESOS and the PNE PSP, will ensure that they are equally entitled, with the other employees who are not Controlling Shareholders and/or their Associates, to take part and benefit from this system of remuneration. The PNE ESOS and the PNE PSP are intended to be part of a system of remuneration for employees and the directors of the Group, and the Company is of the view that such persons who are Controlling Shareholders and/or their Associates should not be unduly discriminated against by virtue only of their shareholding in the Company. The Company is also of the view that the extension of the PNE ESOS and the PNE PSP to Controlling Shareholders and/or their Associates will enhance the long-term commitment of the Controlling Shareholders and/or their Associates to the Company as it will ensure that such Controlling Shareholders and/or their Associates will continue to have a stake in the Company even if they decrease their shareholdings in the Company in the future. In addition, to deny participation by the Controlling Shareholders and/or their Associates may serve to demotivate them and undermine the objectives of the PNE ESOS and the PNE PSP.

The Directors are of the view that the grant of Options and/or Awards under the PNE ESOS and/or the PNE PSP (as the case may be) to Controlling Shareholders and/or their Associates will act as an additional incentive for the Controlling Shareholders and/or their Associates who are employees and directors of the Group to improve their performance, as the value of the Options and Awards will be best realised when the result of their performance correlates directly with higher values of the Shares.

The Controlling Shareholders and/or their Associates shall be treated equally for the purposes of the PNE ESOS and the PNE PSP. Accordingly, the PNE ESOS and the PNE PSP should not unduly favour Controlling Shareholders and/or their Associates, and the terms and conditions of the PNE ESOS and the PNE PSP do not differentiate between the Controlling Shareholders and/or their Associates from other Participants in determining the eligibility of such persons to participate in the PNE ESOS and/or the PNE PSP and be granted Options or Awards (as the case may be) thereunder. As such, the Controlling Shareholders and/or their Associates would be subject to the same rules as those applicable to other Participants. In this manner, the PNE ESOS and the PNE PSP do not unduly favour Controlling Shareholders and/or their Associates over other Participants.

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## LETTER TO SHAREHOLDERS

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The Directors (except for those who are Controlling Shareholders and/or their Associates) are of the view that the participation in the PNE ESOS and the PNE PSP by the Controlling Shareholders and/or their Associates is in the best interests of the Company as such Controlling Shareholders are able to set the direction of the Company, define objectives and roles of management and influence decisions made by the Company and thus stand in a unique position to contribute to the growth and prosperity of the Group.

### **5.2 Rationale and justification for participation of Non-Executive Directors (including Independent Directors)**

Under the Listing Manual, the Group has some flexibility in formulating share-based incentive schemes that recognise and benefit not only persons who are in the employment of the Group but also Non-Executive Directors (including Independent Directors) who are not employed by the Group but who nevertheless work closely with the Group and/or are in the position to contribute their experience, knowledge and expertise to the development and success of the Group. The PNE ESOS and the PNE PSP are extended to the Non-Executive Directors (including Independent Directors) of the Group.

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

In order to minimise any possible conflicts of interest, and so as not to compromise the objectivity of independent members of the Board who may, in the future, be selected to participate in the PNE ESOS and the PNE PSP, the Non-Executive Directors (including Independent Directors) would primarily continue to be remunerated for their services by way of directors' fees. As the rules of the PNE ESOS and the PNE PSP specify a limit as to the number of Shares to be comprised in Options and Awards (as applicable) that may be granted to all Participants, it is envisaged that the Options and/or Awards that may be granted to the Non-Executive Directors (including Independent Directors) will not comprise (whether on an individual or collective basis) a significant portion of the Options and/or Awards available under the PNE ESOS and the PNE PSP respectively. As such, the Directors are of the view that the participation by the Non-Executive Directors (including Independent Directors) in the PNE ESOS and the PNE PSP will not compromise their independence.

The Committee, when deciding on the selection of Non-Executive Directors (including Independent Directors) to participate in the PNE ESOS and the PNE PSP and the number of Shares to be offered (in accordance with the PNE ESOS and the PNE PSP), will take into consideration the nature and extent of their input, assistance and expertise rendered to the committees on which they sit and the impact thereof on the growth, success and development of the Company and the Group, as well as their involvement and commitment to the Board. The Committee may, where it deems relevant, take into account other factors such as the economic conditions and the Company's performance. The Committee may also decide that no Options and/or Awards shall be made in any financial year or no grant of Options and/or Awards may be made at all. Non-Executive Directors (including Independent Directors) will abstain from making any recommendation as a Director and abstain from voting as a member of the Company when the grant of Options or Awards to him is being considered.



## LETTER TO SHAREHOLDERS

### 6. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
Tan Koon Chwee	9,484,175	11.30	-	-	9,484,175	11.30
Tan Kong Leong	8,614,875	10.27	-	-	8,614,875	10.27
Tan Tee Ching	622,500	0.74	-	-	622,500	0.74
<b>Substantial Shareholders</b>						
Tan Kong Heng	8,829,100	10.52	-	-	8,829,100	10.52
DBS Nominees Pte Ltd <sup>(1)</sup>	7,623,107	9.08	-	-	7,623,107	9.08
Tan Kong Sin	-	-	6,474,632 <sup>(1)</sup>	7.72	6,474,632 <sup>(1)</sup>	7.72
Koh Siew Kee	-	-	6,474,632 <sup>(1)</sup>	7.72	6,474,632 <sup>(1)</sup>	7.72
Estate of Tan Kwang Hua, deceased	6,384,375	7.61	-	-	6,384,375	7.61
Tan Kwong Soon or Teo Boon Lui <sup>(2)</sup>	4,709,750	5.61	-	-	4,709,750	5.61
Tan Kwong Soon	-	-	4,709,750 <sup>(2)</sup>	5.61	4,709,750 <sup>(2)</sup>	5.61
Teo Boon Lui	-	-	4,709,750 <sup>(2)</sup>	5.61	4,709,750 <sup>(2)</sup>	5.61
Tan Wei Kang Eugene	4,596,750	5.48	-	-	4,596,750	5.48
Lam Kue Yen	4,314,500	5.14	-	-	4,314,500	5.14

**Note:**

- (1) The Shares are held by a nominee account at DBS Nominees Pte Ltd which is jointly held by Tan Kong Sin and Koh Siew Kee. Tan Kong Sin and Koh Siew Kee are husband and wife.
- (2) The Shares are held by a joint CDP account of Tan Kwong Soon or Teo Boon Lui. Tan Kwong Soon and Teo Boon Lui are husband and wife.

### 7. DIRECTORS' RECOMMENDATIONS

The Directors are all eligible to participate in, and are therefore interested in, the PNE ESOS and the PNE PSP respectively. Accordingly, the Directors have abstained from making any recommendations to Shareholders in respect of the Ordinary Resolutions 1 and 2 relating to the PNE ESOS and the Ordinary Resolution 3 relating to the PNE PSP, as set out in the notice of the EGM.

Each Director shall also decline to accept nominations to act as proxies, representatives or otherwise for voting in respect of the Ordinary Resolutions 1, 2 and 3 at the EGM unless specific instruction has been given in the proxy form as to the manner in which votes are to be cast in respect of the Ordinary Resolutions 1, 2 and 3. Accordingly, the Company will disregard any votes cast on the Ordinary Resolutions 1, 2 and 3 by such persons required to abstain from voting in respect of the Ordinary Resolutions 1, 2 and 3.

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## LETTER TO SHAREHOLDERS

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### 8. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the PNE ESOS and/or the PNE PSP (as the case may be) shall abstain from voting, whether by proxy or representative, on (a) the Ordinary Resolution 1 in relation to the Proposed Adoption of PNE ESOS, (b) the Ordinary Resolution 2 in relation to the Proposed Grant of Discounted Options, and (c) the Ordinary Resolution 3 in relation to the Proposed Adoption of PNE PSP, as set out in the notice of EGM. They should also not accept nominations to act as proxies, representatives or otherwise for voting in respect of the Ordinary Resolutions 1, 2 and 3 at the EGM unless specific instruction has been given in the proxy form as to the manner in which votes are to be cast in respect of the Ordinary Resolutions. Accordingly, the Company will disregard any votes cast on the Ordinary Resolutions 1, 2 and 3 by such persons required to abstain from voting in respect of the Ordinary Resolutions.

### 9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page N-1 to N-6 of this Circular, will be held at Emerald Suite @ Golf Clubhouse, Orchid Country Club, 1 Orchid Club Road, Level 2, Singapore 769162 on Thursday, 22 January 2026 at 9.30 a.m. (or as soon thereafter following the conclusion or adjournment of the AGM to be held at 9.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the proposed resolutions set out in the Notice of EGM.

### 10. ACTIONS TO BE TAKEN BY SHAREHOLDERS

#### 10.1 Submission of Proxy Forms to Vote

Shareholders who are unable to attend the EGM and who wish to appoint proxy(ies) to attend, speak and vote at the EGM on their behalf will find a Proxy Form attached to this Circular, which they should complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, if submitted by post, to be sent to the registered office of the Company at 996 Bendemeer Road #07-06, Singapore 339944, or submitted by email to [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com), in each case, not less than 72 hours before the time appointed for holding the EGM, i.e. by 9.30 a.m. on Monday, 19 January 2026, or any postponement or adjournment thereof.

The appointment of a proxy by a Shareholder does not preclude him/her/it from attending and voting in person at the EGM if he/she/it wishes to do so.

#### 10.2 Submission of Questions in Advance

Shareholders can submit substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM, in advance of the EGM, to the Company in the following manner:

- (a) Shareholders may submit their questions by post, to be lodged at the registered office of the Company at 996 Bendemeer Road #07-06, Singapore 339944; or
- (b) Shareholders may submit their questions electronically via email to [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com).

in each case, by 9.30 a.m. on Wednesday, 14 January 2026.

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## LETTER TO SHAREHOLDERS

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A member who wishes to submit the questions is required to indicate the full name (for individuals)/company name (for corporates), NRIC/Passport No./Company Registration No., email address, contact number, shareholding type and number of shares held together with their submission, before submitting it in the manner stated above.

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Act) (excluding investors who buy Shares using SRS monies) should contact their respective relevant intermediaries through which they hold such Shares to submit their questions relating to the resolutions to be tabled for approval at the EGM based on the abovementioned instructions.

The Board of Directors of the Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the meeting by publishing the responses to those questions on SGXNET at URL <https://www.sgx.com/securities/company-announcements> and the Company's website at URL <https://pne.com.sg/industries/> at least 72 hours (being 16 January 2026), prior to the closing date and time for the lodgement of the proxy forms on 19 January 2026. Where substantial relevant questions submitted by Shareholders are unable to be addressed prior to the meeting, the Company will address them during the meeting. The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) received.

### 10.3 Notice of EGM and Circular

Printed copies of the notice of EGM and Proxy Form have been despatched to shareholders.

The notice of EGM, Proxy Form and the Circular have been published and can be accessed at the following websites:

- (i) SGXNET at the URL: <https://www.sgx.com/securities/company-announcements>; and
- (ii) the Company's website at the URL: <https://pne.com.sg/industries/>.

A shareholder who wishes to request for a printed copy of the Circular may do so by completing and returning the Request Form which is sent to him/her/it, by Wednesday, 14 January 2026:

- (a) by post to the registered office of the Company at 996 Bendemeer Road #07-06, Singapore 339944; or
- (b) via email to [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com).

### 10.4 Depositors

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to vote thereat unless his name appears on the Depository Register as certified by CDP at least 72 hours before the time appointed for holding the EGM.

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## LETTER TO SHAREHOLDERS

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### 11. 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 PNE ESOS and the PNE PSP, the issuer and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

### 12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by Shareholders at the registered office of the Company at 996 Bendemeer Road #07-06, Singapore 339944, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the proposed rules of the PNE ESOS; and
- (b) the proposed rules of the PNE PSP.

Please contact the Company at the email address [pnehq@pne.com.sg](mailto:pnehq@pne.com.sg) prior to making any visits, to arrange for a suitable time slot for the inspection.

Yours faithfully  
For and on behalf of the Board of Directors  
**PNE INDUSTRIES LTD**

Tan Koon Chwee  
Managing Director

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**APPENDIX A**  
**RULES OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026**

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**1. NAME OF THE SCHEME**

The Scheme shall be called the **"PNE Employee Share Option Scheme 2026"**.

**2. DEFINITIONS**

In this Scheme, except where the context otherwise requires, the following words and expressions shall have the following meanings:

<b>"Act"</b>	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
<b>"Adoption Date"</b>	:	The date on which the Scheme is adopted by the Shareholders of the Company at a general meeting
<b>"Aggregate Subscription Cost"</b>	:	The total amount payable for the Shares to be subscribed for on the exercise of an Option
<b>"Associate"</b>	:	(a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or a Controlling Shareholder (being an individual) means:  (i) his immediate family;  (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and  (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more;  (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more
<b>"Auditors"</b>	:	The auditors of the Company for the time being
<b>"Board"</b>	:	The board of directors of the Company for the time being
<b>"CDP"</b>	:	The Central Depository (Pte) Limited
<b>"Committee"</b>	:	The Remuneration Committee of the Company for the time being, duly authorised and appointed by the Board to administer the Scheme

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**APPENDIX A**  
**RULES OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026**

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<b>"Company"</b>	: PNE Industries Ltd
<b>"Constitution"</b>	: The Constitution of the Company, as amended from time to time
<b>"Control"</b>	: The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company being controlled
<b>"Controlling Shareholder"</b>	: A person who: <ul style="list-style-type: none"><li>(a) holds directly or indirectly fifteen per cent. (15%) or more of the nominal amount of all voting shares in the Company; or</li><li>(b) in fact exercises Control over the Company</li></ul>
<b>"Date of Grant"</b>	: In relation to an Option, the date on which an Option is granted
<b>"Director"</b>	: A person holding office as a director of a Group Company for the time being
<b>"Exercise Period"</b>	: The period for the exercise of an Option, being a period commencing: <ul style="list-style-type: none"><li>(a) in the case of a Market Price Option, a period commencing after the first anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee), or such other period which may from time to time be prescribed under any relevant law, regulation or rule of the SGX-ST, subject as provided in Rules 7, 8 and 9 of the Scheme and any other conditions as may be introduced by the Committee from time to time;</li><li>(b) in the case of an Incentive Option, a period commencing after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee), or such other period which may from time to time be prescribed under the relevant law, regulation or rule of the SGX-ST subject as provided in Rules 9 and 10 of the Scheme and any other conditions as may be introduced by the Committee from time to time</li></ul>
<b>"Exercise Price"</b>	: The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 6, as adjusted in accordance with Rule 12

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**APPENDIX A**  
**RULES OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026**

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<b>“Grantee”</b>	:	The person to whom an offer of an Option is made
<b>“Group”</b>	:	The Company and its subsidiaries, and <b>“Group Company”</b> shall mean any one of such companies
<b>“Group Employee”</b>	:	A full-time employee of a Group Company (including any Group Executive Director who meets the relevant criteria and who shall be regarded as a Group Employee for the purposes of the Scheme) selected by the Committee to participate in the Scheme in accordance with the Scheme
<b>“Group Executive Director”</b>	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function
<b>“Group Non-Executive Director”</b>	:	A director of the Company and/or any of its subsidiaries, as the case may be, other than one who performs an executive function
<b>“Listing Manual”</b>	:	Rules of the Main Board of the SGX-ST in force as at the Latest Practicable Date
<b>“Incentive Option”</b>	:	An Option granted with the Exercise Price set at a discount to the Market Price
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“Market Price”</b>	:	A price equal to the average of the last dealt prices for the Shares on the SGX-ST over the five (5) consecutive Trading Days immediately preceding the Date of Grant of that Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices
<b>“Market Price Option”</b>	:	An Option granted with the Exercise Price set at the Market Price
<b>“Option”</b>	:	The right to subscribe for Shares granted or to be granted to a Participant pursuant to the Scheme and for the time being subsisting
<b>“Participant”</b>	:	Any eligible person who is selected by the Committee to participate in the Scheme in accordance with the Rules
<b>“Record Date”</b>	:	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)
<b>“Rules”</b>	:	Rules of the Scheme

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<b>“Scheme”</b>	: The PNE Employee Share Option Scheme 2026, as the same may be modified or altered from time to time
<b>“Securities Account”</b>	: The securities account maintained by a Depositor with CDP
<b>“SFA”</b>	: The Securities and Futures Act 2001 of Singapore, as amended, supplemented or modified from time to time
<b>“SGX-ST”</b>	: Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	: The registered holders for the time being of the Shares
<b>“Shares”</b>	: Issued and fully-paid ordinary shares in the capital of the Company
<b>“Substantial Shareholder”</b>	: A person who has an interest (directly or indirectly) in the Shares which is not less than five per cent. (5%) of the issued shares in the capital of the Company
<b>“Trading Day”</b>	: A day on which the Shares are traded on the SGX-ST
<b>“S\$”</b>	: Singapore dollars
<b>“%” or “per cent.”</b>	: Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively by Section 130A of the Act.

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

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

Any reference to a time of a day or date in this Scheme is a reference to Singapore time and dates unless otherwise stated.

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 genders and *vice versa*. References to persons shall include corporations.



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**3. OBJECTIVES OF THE SCHEME**

- 3.1 The Scheme is a share incentive scheme. The Scheme is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group. The purpose of the Scheme is to provide an opportunity for directors and employees of the Group to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed to the success of the Company and the Group.
- 3.2 The Company, by adopting the Scheme, will give Participants an opportunity to participate in the equity of the Company with a view to achieving the following objectives:
- (a) to align the interests of the Participants with those of the Shareholders so as to motivate the Participants to contribute towards the future growth and profitability of the Group, and hence increase Shareholders' value in the longer term;
  - (b) to attract potential employees with relevant skills to contribute to the Group and to create value for our Shareholders;
  - (c) to retain key employees of the Group whose contributions are essential to the long-term growth and profitability of the Group;
  - (d) to promote greater dedication, long-term commitment, loyalty and a sense of identification with the Group;
  - (e) to motivate and incentivise Participants to achieve performance targets, and to aspire towards higher standards of performance and efficiency; and
  - (f) to promote cohesiveness and team spirit through common ownership of equity in the Company.

**4. ELIGIBILITY OF PARTICIPANTS**

- 4.1 The following persons are eligible to participate in the Scheme at the absolute discretion of the Committee, provided that each such person has attained the age of twenty-one (21) years and is not an undischarged bankrupt and has not entered into a composition with his/her creditors:
- (a) full-time confirmed Group Employees who hold such rank as may be designated by the Committee (including any Group Executive Director who meets the relevant criteria and who shall be regarded as a Group Employee for the purposes of the Scheme);
  - (b) Group Non-Executive Directors (including independent Directors);
  - (c) Controlling Shareholders and their Associates,
- 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 who satisfy the criteria set out in Rule 4.1 above shall be eligible to participate in the Scheme, at the absolute discretion of the Committee, provided that:
- (a) written justification has been provided to Shareholders for such person's participation at the introduction of the Scheme or prior to the first Grant of Options to him;

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(b) (i) the participation by each such person, and (ii) the actual number and terms of any Options to be granted to each such person have been specifically approved by Shareholders of the Company who are not beneficiaries of the grant in a general meeting in separate resolutions for each such person; and

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

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

4.3 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any of the other companies within the Group.

4.4 Subject to the Act and any requirements of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee.

**5. GRANT OF AND ACCEPTANCE OF OPTIONS**

5.1 Subject to Rule 4, Rule 11 and Rule 12, the Committee may grant Options at any time during the period when the Scheme is in force, provided that (i) no Option shall be granted during the period commencing one (1) month before the announcement of the Company's half year and full year financial statements (if not required to do quarterly reporting, or such relevant period as prescribed under the Listing Manual) and (ii) in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, Options may only be granted on or after the second Market Day from the date on which such announcement is released.

5.2 The grant of an Option under this Rule 5 shall be accepted by the Grantee within thirty (30) days from the Date of Grant of that Option and, in any event, not later than 5.00 p.m. on the 30th day from such Date of Grant by completing, signing and returning the Acceptance Form in, or substantially in, the form set out in Schedule B-1, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration. The Option is deemed not accepted until actual receipt by the Company of the Acceptance Form.

5.3 The Company shall be entitled at its absolute discretion to reject any purported acceptance of the grant of an Option made pursuant to this Rule 5 which does not strictly comply with the terms and conditions of the Rules.

5.4 Unless the Committee determines otherwise, the grant of an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:

- (a) it is not accepted in the manner as provided in Rule 5.2 within thirty (30) days from the Date of Grant of such Option;
- (b) the Participant dies prior to his acceptance of such Option;
- (c) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option;

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- (d) the Participant ceases to be in the employment of the Group or ceases to be a Director of the Group (as the case may be), in each case, for any reason whatsoever, prior to his acceptance of the Option; or
  - (e) the Company is liquidated or wound up prior to the Participant's acceptance of the Option.
- 5.5 An option shall be personal to the Participant to whom it is granted and shall not be sold, mortgaged, transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of or encumbered, in whole or in part, unless with the prior written approval of the Committee.
- 5.6 Subject to Rules 4 and 12, the aggregate number of Shares in respect of which Options may be granted to a Participant pursuant to the Scheme shall be determined by the Committee in its absolute discretion, which may take into account (where applicable) criteria such as the designation, responsibilities, past performance, number of years of service, contributions to the Group and potential for future development of such Participant.
- 5.7 In the event that the grant of an Option results in a contravention of any applicable law, subsidiary legislation or other regulation, such grant shall be null, void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 6. EXERCISE PRICE**
- 6.1 Subject to any adjustment pursuant to Rule 12, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee, in its absolute discretion, on the Date of Grant, at:
  - (a) a price equal to the Market Price; or
  - (b) a price which is set at a discount to the Market Price, provided that:
    - (i) the maximum discount shall not exceed twenty per cent. (20%) of the Market Price (or such other percentage or amount as may be determined by the Committee and permitted by the SGX-ST); and
    - (ii) the prior approval of the Shareholders of the Company in general meeting shall have been obtained for the making of offers and grants of Options under the Scheme at a discount not exceeding the maximum discount as aforesaid in a separate resolution.
- 6.2 In making any determination under Rule 6.1 on whether to give a discount and the quantum of such discount, the Committee shall take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:
  - (a) the performance of the Company and/or the Group;
  - (b) the years of service and individual performance (including the meeting of performance targets) of the eligible Participant;
  - (c) the contribution of the eligible Participant to the success and development of the Company and/or the Group; and
  - (d) the prevailing market conditions.

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- 6.3 The Exercise Price shall in no event be less than the nominal value of a Share. When the Exercise Price as determined above is less than the nominal value of a Share, the Exercise Price shall be the nominal value.

**7. EXERCISE OF OPTIONS**

- 7.1 Subject to Rule 8 and Rule 9 and any other conditions as may be introduced by the Committee from time to time, each Option shall be exercisable, in whole or in part, as follows:
- (a) in the case of a Market Price Option, during the period commencing after the first anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee); and
  - (b) in the case of an Incentive Option, during the period commencing after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee).
- 7.2 In the event of an Option being exercised in part only, the balance of the Option not thereby exercised shall continue to be exercisable in accordance with the Scheme until such time as it shall lapse in accordance with the Scheme.

**8. EVENTS PRIOR TO EXERCISE OF OPTIONS**

- 8.1 Unless otherwise decided by the Committee at its absolute discretion, an Option shall, to the extent unexercised, immediately lapse without any claim whatsoever against the Company:
- (a) subject to Rules 8.2 and 8.3, upon the Participant ceasing to be a Group Employee due to any reason whatsoever other than the reasons covered in Rule 8.2, or in the case of a Participant who is a Group Non-Executive Director, ceasing to be a Director of the Group, for any reason whatsoever other than due to the reasons covered in Rule 8.2;
  - (b) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option;
  - (c) in the event of any misconduct on the part of the Participant as determined by the Committee in its sole and absolute discretion or any breach of any regulation of the Group, such breach being regarded as serious by the Committee in its absolute discretion; or
  - (d) upon the company by which the Participant is employed or to which he is seconded (as the case may be) ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group.

For the purpose of Rule 8.1(a), the Participant shall be deemed to have ceased to be so employed as of the date on which the notice of termination of employment is tendered by or is given to him (as the case may be), unless such notice shall be withdrawn prior to its effective date.

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8.2 If a Participant ceases to be employed by the Group by reason of his:

- (a) ill health, injury, death or disability (in each case, evidenced to the satisfaction of the Committee);
- (b) redundancy;
- (c) retirement at or after the legal retirement age;
- (d) retirement before the legal retirement age with the consent of the Committee; or
- (e) completion of the term of his service contract,

or any other reason approved in writing by the Committee, an outstanding and unexercised Option then held by a Participant shall lapse, without any claim whatsoever against the Company and/or its Directors, unless otherwise determined by the Committee in its absolute discretion. In exercising such discretion, the Committee shall determine the number of Shares comprised in that Option which may be exercised and the period during which such Option shall be exercisable (such Option may also be exercised notwithstanding that the date of exercise is before the first day of the Exercise Period relating thereto), or allow the Participant to exercise any outstanding and unexercised Option in accordance with the original vesting schedule applicable thereto.

8.3 If a Participant dies and at the date of his death holds any unexercised Option, such Option then held by a Participant shall lapse, without any claim whatsoever against the Company and/or its Directors, unless otherwise determined by the Committee in its absolute discretion. In exercising such discretion, the Committee shall determine the number of Shares comprised in that Option which may be exercised and the period during which such Option shall be exercisable (such Option may also be exercised notwithstanding that the date of exercise is before the first day of the Exercise Period relating thereto), or allow the Participant to exercise any outstanding and unexercised Option in accordance with the original vesting schedule applicable thereto, and such exercise of the Option may be carried out by the duly appointed legal personal representatives of the Participant.

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

9.1 Notwithstanding Rule 8 but subject to Rule 9.5, in the event of a take-over being made for the Shares, a Participant shall be entitled to exercise any Option held by him and as yet unexercised, in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion, in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six-month (6) period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the expiry of the Exercise Period relating thereto); or
- (b) the date of expiry of the Exercise Period relating thereto,

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

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

Any Option not so exercised shall lapse provided that the rights of acquisition or obligations to acquire shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Option shall, notwithstanding Rule 8, remain exercisable until the expiry of the Exercise Period relating thereto.

- 9.2 If: (a) under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, or (b) there is a change of Control of the Company, each Participant shall be entitled (notwithstanding Rule 8 but subject to Rule 9.5), to exercise any Option then held by him, in respect of such number of Shares comprised in that Option, during the period: (i) in the case of scenario (a) above, commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later, or (ii) in the case of scenario (b) above, commencing on the date upon which the change of Control becomes effective and ending on the expiry of sixty (60) days thereafter (but in either case, not after the expiry of the Exercise Period relating thereto), whereupon the Option shall lapse and become null and void.
- 9.3 If an order is made for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- 9.4 In the event that a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date soon after it dispatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provision of this Rule 9.4) and thereupon, each Participant (or his legal personal representative) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the Aggregate Subscription Cost for the Shares in respect of which notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Participant credited as fully paid.
- 9.5 If in connection with the making of a general offer referred to in Rule 9.1 or an event referred to in Rule 9.2 or the winding-up referred to in Rule 9.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, as yet not exercised, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 9.
- 9.6 To the extent that an Option is not exercised within the periods referred to in this Rule 9, it shall lapse and become null and void.

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**10. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES**

- 10.1 Subject to Rule 7.1, an Option may be exercised, in whole or in part, by a Participant giving notice in writing to the Company in, or substantially in, the form set out in Schedule C-1 and Schedule C-2, subject to such modification as the Committee may from time to time determine. Such notice must be accompanied by payment in cash for the full amount of the Aggregate Subscription Cost in respect of the Shares for which that Option is exercised and any other documentation the Committee may require. An Option shall be deemed to be exercised upon receipt by the Company of the said notice, duly completed, and the full amount of such Aggregate Subscription Cost.
- 10.2 All payments made shall be made by cheque, cashiers' order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Committee.
- 10.3 (a) Subject to the Listing Manual and prevailing legislation, the Company shall have the flexibility to deliver Shares to Participants upon exercise of their Options by way of:
- (i) allotment of new Shares; and/or
  - (ii) transfer of existing Shares, including (subject to applicable laws) any Shares acquired by the Company pursuant to a share purchase mandate and/or held by the Company as treasury shares.
- (b) In determining whether to issue new Shares or to deliver existing Shares to Participants upon the exercise of their Options, the Company will take into account factors such as (but not limited to):
- (i) the prevailing Market Price of the Shares;
  - (ii) the financial performance of the Group;
  - (iii) the cash position of the Group and the projected capital requirements;
  - (iv) the dilution impact (if any);
  - (v) the cost to the Company of either issuing new Shares or purchasing existing Shares to hold as treasury shares; and
  - (vi) the liquidity of the Shares based on the average daily trading volume of the Shares, and in particular whether the repurchase by the Company of existing Shares to deliver to Participants upon exercise of their Options would materially impact the Market Price of the Shares.
- 10.4 Subject to such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to compliance with the terms of the Scheme and the Constitution of the Company, the Company shall, as soon as practicable after the exercise of an Option, allot, transfer or procure the transfer (as the case may be) of the relevant Shares in respect of which such Option has been exercised by the Participant and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit.

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- 10.5 Where new Shares are allotted upon the exercise of an Option, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST (and any other stock exchange on which the Shares are quoted or listed) for permission to deal in and for quotation of such Shares, which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments in accordance with Rule 12.
- 10.6 Shares which are allotted or transferred on the exercise of an Option by a Participant shall be issued or registered (as the case may be), as the Participant may elect by notice in writing to the Company, in the name of 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.
- 10.7 Shares acquired by a Participant upon the exercise of an Option by such Participant shall:
- (a) be subject to all the provisions of the Act and the Constitution of the Company; and
  - (b) shall rank in full for all entitlements, including dividends, rights, allotments or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which falls on or after the relevant exercise date of the Option, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

**11. LIMITATIONS ON THE SIZE OF THE SCHEME**

- 11.1 The aggregate number of Shares over which Options may be granted under the Scheme on any date, when added to the aggregate number of Shares in respect of all options or awards granted under the Scheme and any other share-based incentive schemes of the Company, shall not exceed fifteen per cent. (15%) of the total number of all issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding the Date of Grant of an Option.
- 11.2 The aggregate number of Shares which may be issued or transferred pursuant to Options granted under the Scheme to all Participants who are Controlling Shareholders and their Associates shall not exceed twenty-five per cent. (25%) of the Shares available under the Scheme and such other share-based incentive schemes of the Company.
- 11.3 The aggregate number of Shares which may be issued or transferred pursuant to Options granted under the Scheme to each Participant who is a Controlling Shareholder or his Associate shall not exceed ten per cent. (10%) of the Shares available under the Scheme and such other share-based incentive schemes of the Company.
- 11.4 Shares which are the subject of Options which have lapsed for any reason whatsoever may be the subject of further Options granted by the Committee under the Scheme.

**12. ADJUSTMENT EVENTS**

- 12.1 If a variation in the issued ordinary share capital of the Company (whether by way of rights issue, capitalisation of profits or reserves, reduction of capital, subdivision, consolidation or distribution of Shares or otherwise) shall take place:
- (a) the Exercise Price of the Shares, the class and/or number of Shares comprised in an Option to the extent unexercised; and/or



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- (b) the class and/or number of Shares over which additional Options may be granted under the Scheme,

shall be adjusted in such manner as the Committee may deem appropriate to give such Participant the same proportion of the equity capital of the Company as that to which he was previously entitled, subject to the Rules.

12.2 Unless the Committee considers an adjustment to be appropriate:

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;
- (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting; and/or
- (d) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company,

shall not normally be regarded as a circumstance requiring adjustment.

12.3 Notwithstanding the provisions of Rule 12.1:

- (a) 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; and
- (b) no adjustment shall be made in such a way that any Participant receives a benefit that a Shareholder does not receive.

12.4 Upon any adjustment required to be made pursuant to this Rule 12, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the Exercise Price thereafter in effect and class and/or number of Shares thereafter to be issued or transferred on the exercise of the Option. Any adjustment shall take effect upon such written notification being given.

### **13. ADMINISTRATION OF THE SCHEME**

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

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

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enhance the benefit of the Options and the Shares to the Participants, as the Committee may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Scheme and any dispute and uncertainty as to the interpretation of the Scheme, any rule, regulation or procedure thereunder or any rights under the Scheme shall be determined by the Committee.

13.3 Neither the Scheme nor the grant of Options under the Scheme shall impose on the Company or the Committee any liability whatsoever in connection with:

- (a) the lapsing or early expiry of any Options pursuant to any provision of the Scheme;
- (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Scheme; and/or
- (c) any decision or determination of the Committee made pursuant to any provision of the Scheme.

13.4 Any decision or determination of the Committee made pursuant to any provision of the Scheme (other than a matter to be certified or confirmed by the Auditors, acting as experts and not as arbitrators) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to quantum of discount applicable to an Option, disputes as to the interpretation of the Scheme or any rule, regulation or procedure hereunder or as to any rights under the Scheme). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

13.5 The Committee shall ensure that the rules of the Scheme are in compliance with the Act and the applicable laws and regulations in Singapore, including but not limited to, the Listing Manual. Any Option granted by the Company under the Scheme shall also be made in accordance with, and in the manner prescribed by, the Act, the Listing Manual, the Constitution, the Rules and such other laws and regulations as may for the time being, be applicable.

**14. NOTICES**

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

14.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.

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

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**APPENDIX A**  
**RULES OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026**

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**15. MODIFICATIONS TO THE SCHEME**

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

- (a) no modification or alteration shall alter adversely the rights attaching to any Option granted prior to such modification or alteration except when the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be allotted upon exercise in full of all outstanding Options;
- (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of the Shareholders in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary, and any modification or alteration shall comply with the listing rules of SGX-ST.

For the purposes of Rule 15.1(a), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Option shall be final, binding and conclusive.

For the avoidance of doubt, nothing in this Rule 15.1 shall affect the right of the Committee under any provision of the Scheme to amend or adjust any Option and without due compliance with the Listing Rules and such other laws and regulations as may be applicable.

15.2 Notwithstanding anything to the contrary contained in Rule 15.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST if required) amend or alter the Scheme in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Scheme to comply with any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

15.3 Written notice of any modification or alteration made in accordance with this Rule 15 shall be given to all Participants, but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

**16. TERMS OF EMPLOYMENT UNAFFECTED**

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

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**APPENDIX A**  
**RULES OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026**

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**17. DURATION OF THE SCHEME**

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

**18. TAXES**

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

**19. COSTS AND EXPENSES**

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

**20. DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing the Shares or procuring the transfer of or applying for or procuring the listing of new Shares on the SGX-ST in accordance with Rule 10.5 (and any other stock exchange on which the Shares are quoted or listed).

**21. DISCLOSURE IN ANNUAL REPORT**

The Company shall disclose the following (as applicable) in its annual report for so long as the Scheme continues in operation:

- (a) the names of the members of the Committee administering the Scheme;
- (b) the information required in the table below for the following Participants:

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**APPENDIX A**  
**RULES OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026**

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- (i) 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 five per cent. (5%) or more of the total number of Shares comprised in Options available under the Scheme;

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

- (c) In respect of options granted to Directors and employees of the Company or the Group:
  - (i) the names of and number and terms of Options granted to each director or employee of the Company or the Group who receives five per cent. (5%) or more of the total number of Options available to all directors and employees of the Company and the Group under the Scheme during the financial year under review;
  - (ii) the aggregate number of Options granted to the directors and employees of the Company and the Group for the financial year under review, and since the commencement of the Scheme to the end of the financial year under review; or
- (d) The number and proportion of Options granted at a discount during the financial year under review in respect of every ten per cent. (10%) discount range, up to the maximum quantum of discount granted.

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

**22. ABSTENTION FROM VOTING**

Shareholders who are eligible to participate in the Scheme must abstain from voting on any resolution relating to the Scheme, including any Shareholders' resolution relating to the implementation of the Scheme, or the making of offers and grants of options under the Scheme at a discount not exceeding the maximum discount, or the participation by, and options granted to, Controlling Shareholders and/or their Associates and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

**23. DISPUTES**

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

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**APPENDIX A**  
**RULES OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026**

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**24. CONDITIONS OF OPTIONS**

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

**25. GOVERNING LAW**

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

**26. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001**

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

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**APPENDIX A**  
**RULES OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026**

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**Schedule A-1**

**PNE EMPLOYEE SHARE OPTION SCHEME 2026**

**LETTER OF OFFER (MARKET PRICE OPTION)**

Serial No: \_\_\_\_\_

Date:

To:     [Name]  
          [Designation]  
          [Address]

**Private and Confidential**

Dear Sir/Madam,

1. We have the pleasure of informing you that you have been nominated to participate in the PNE Employee Share Option Scheme 2026 (the "**Scheme**") by the Committee (the "**Committee**") appointed by the Board of Directors of PNE Industries Ltd (the "**Company**") to administer the Scheme. The offer contained herein shall be subject to the terms and conditions of the Scheme. Terms as defined in the Scheme shall have the same meaning when used in this letter.
2. Accordingly, in consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you a Market Price Option (the "**Option**") to subscribe for and be allotted Shares at the price of S\$\_\_\_\_\_ for each Share.
3. The Option shall be exercisable after \_\_\_\_\_. The right of exercise will terminate on \_\_\_\_\_, being the tenth anniversary of the date of grant of the Option.
4. The Option is personal to you and shall not be sold, mortgaged, transferred, charged, pledged, assigned or otherwise disposed of or encumbered by you, in whole or in part, except with the prior approval of the Committee duly authorised and appointed to administer the Scheme.
5. The Option shall be subject to the terms and conditions of this Letter of Offer and the Scheme (as the same may be amended from time to time pursuant to the terms and conditions of the Scheme), a copy of which is available for inspection at the registered office address of the Company.
6. If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5.00 p.m. on \_\_\_\_\_, failing which this offer will forthwith lapse.

Yours faithfully,  
For and on behalf of  
**PNE Industries Ltd**

\_\_\_\_\_  
Name:  
Designation:

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**APPENDIX A**  
**RULES OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026**

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**Schedule A-2**

**PNE EMPLOYEE SHARE OPTION SCHEME 2026**

**LETTER OF OFFER (INCENTIVE OPTION)**

Serial No: \_\_\_\_\_

Date:

To:     [Name]  
          [Designation]  
          [Address]

**Private and Confidential**

Dear Sir/Madam,

1. We have the pleasure of informing you that you have been nominated to participate in the PNE Employee Share Option Scheme 2026 (the "**Scheme**") by the Committee (the "**Committee**") appointed by the Board of Directors of PNE Industries Ltd (the "**Company**") to administer the Scheme. The offer contained herein shall be subject to the terms and conditions of the Scheme. Terms as defined in the Scheme shall have the same meaning when used in this letter.
2. Accordingly, in consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you an Incentive Price Option (the "**Option**") to subscribe for and be allotted \_\_\_\_\_ Shares at the discounted price of S\$\_\_\_\_\_ for each Share (being the subscription price of S\$\_\_\_\_\_ less a discount of \_\_\_\_\_%).
3. The Option shall be exercisable after \_\_\_\_\_. The right of exercise will terminate on \_\_\_\_\_, being the tenth anniversary of the date of grant of the Option.
4. The Option is personal to you and shall not be sold, mortgaged, transferred, charged, pledged, assigned or otherwise disposed of or encumbered by you, in whole or in part, except with the prior approval of the Committee duly authorised and appointed to administer the Scheme.
5. The Option shall be subject to the terms and conditions of this Letter of Offer and the Scheme (as the same may be amended from time to time pursuant to the terms and conditions of the Scheme), a copy of which is available for inspection at the registered office address of the Company.
6. If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5.00 p.m. on \_\_\_\_\_, failing which this offer will forthwith lapse.

Yours faithfully,  
For and on behalf of  
**PNE Industries Ltd**

\_\_\_\_\_

Name:  
Designation:



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**APPENDIX A**  
**RULES OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026**

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**Schedule B-1**

**PNE EMPLOYEE SHARE OPTION SCHEME 2026**

**ACCEPTANCE FORM (MARKET PRICE OPTION)**

Serial No: \_\_\_\_\_

Date:

To:     The Committee,  
          PNE Employee Share Option Scheme 2026

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Closing Date for Acceptance of Offer     :  
Number of Shares Offered                 :  
Exercise Price for each Share             :     S\$  
Total Amount Payable                     :     S\$  
(exclusive of the relevant CDP charges)

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

I hereby accept the Option to subscribe for \_\_\_\_\_ Shares at S\$ \_\_\_\_\_ for each Share and enclose cash for S\$1.00 in payment for the purchase of the Option.

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

I also understand that I shall be responsible for all the fees of CDP (if applicable) relating to or in connection with the issue and allotment and/or transfer of any Shares in CDP's name, the deposit of share certificate(s) with CDP, my securities account with CDP, or my securities sub-account with a CDP Depository Agent (as the case may be) (collectively, the "**CDP charges**").

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

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

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

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**APPENDIX A**  
**RULES OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026**

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**PLEASE PRINT IN BLOCK LETTERS**

Name in full :

Designation :

Address :

Nationality :

\*NRIC/Passport No. :

Signature :

Date :

*\*Delete accordingly*

**Note:**

1. Options must be accepted in full or in multiples of 100 Shares.
2. The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

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**APPENDIX A**  
**RULES OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026**

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**Schedule B-2**

**PNE EMPLOYEE SHARE OPTION SCHEME 2026**

**ACCEPTANCE FORM (INCENTIVE OPTION)**

Serial No: \_\_\_\_\_

Date:

To:     The Committee,  
          PNE Employee Share Option Scheme 2026

---

Closing Date for Acceptance of Offer     :  
Number of Shares Offered                 :  
Exercise Price for each Share             :     S\$  
Total Amount Payable                     :     S\$  
(exclusive of the relevant CDP charges)

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

I hereby accept the Option to subscribe for \_\_\_\_\_ Shares at S\$ \_\_\_\_\_ for each Share and enclose cash for S\$1.00 in payment for the purchase of the Option.

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

I also understand that I shall be responsible for all the fees of CDP (if applicable) relating to or in connection with the issue and allotment and/or transfer of any Shares in CDP's name, the deposit of share certificate(s) with CDP, my securities account with CDP, or my securities sub-account with a CDP Depository Agent (as the case may be) (collectively, the "**CDP charges**").

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

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

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

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**APPENDIX A**  
**RULES OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026**

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**PLEASE PRINT IN BLOCK LETTERS**

Name in full :

Designation :

Address :

Nationality :

\*NRIC/Passport No. :

Signature :

Date :

*\*Delete accordingly*

**Note:**

1. Options must be accepted in full or in multiples of 100 Shares.
2. The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

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**APPENDIX A**  
**RULES OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026**

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**Schedule C-1**

**PNE EMPLOYEE SHARE OPTION SCHEME 2026**

**FORM OF EXERCISE OF OPTION (MARKET PRICE OPTION)**

Serial No: \_\_\_\_\_

Date:

To:       The Committee,  
          PNE Employee Share Option Scheme 2026

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Total number of ordinary shares (the “**Shares**”) :  
offered at S\$ \_\_\_\_\_ for each Share (the  
“**Exercise Price**”) under the Scheme on  
\_\_\_\_\_ (Date of Grant)

Number of Shares previously allotted :  
thereunder

Outstanding balance of Shares to be allotted :  
thereunder

Number of Shares now to be subscribed : \_\_\_\_\_

1. Pursuant to your Letter of Offer dated \_\_\_\_\_ and my acceptance thereof, I hereby exercise the Option to subscribe for \_\_\_\_\_ Shares in PNE Industries Ltd (the “**Company**”) at S\$ \_\_\_\_\_ for each Share.
2. I request the Company to allot and issue the said Shares in the name of The Central Depository (Pte) Limited (“**CDP**”) to the credit of my \*Securities Account with CDP/Sub-Account with the Depository Agent specified below and to deliver the share certificate(s) relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP and any stamp duty payable in respect thereof:  
  
      \*(i)     Direct Securities Account No.:  
      \*(ii)    Securities Sub-Account No.:  
              Name of Depository Agent
3. I enclose a \*cheque/cashier’s order/banker’s draft/postal order no. \_\_\_\_\_ for S\$ \_\_\_\_\_ in payment for the subscription for the total number of the said Shares.
4. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the PNE Employee Share Option Scheme 2026 (as the same may be amended pursuant to the terms thereof from time to time) and the Constitution of the Company.

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**APPENDIX A**  
**RULES OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026**

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

**PLEASE PRINT IN BLOCK LETTERS**

Name in full :

Designation :

Address :

Nationality :

\*NRIC/Passport No. :

Signature :

Date :

*\*Delete accordingly*

**Note:**

1. An Option may be exercised in whole or in part provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof.

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**APPENDIX A**  
**RULES OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026**

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**Schedule C-2**

**PNE EMPLOYEE SHARE OPTION SCHEME 2026**

**FORM OF EXERCISE OF OPTION (INCENTIVE OPTION)**

Serial No: \_\_\_\_\_

Date: \_\_\_\_\_

To:       The Committee,  
          PNE Employee Share Option Scheme 2026

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Total number of ordinary shares (the “**Shares**”) :  
offered at S\$ \_\_\_\_\_ for each Share (the  
“**Exercise Price**”) under the Scheme on  
\_\_\_\_\_ (Date of Grant) \_\_\_\_\_

Number of Shares previously allotted :  
thereunder \_\_\_\_\_

Outstanding balance of Shares to be allotted :  
thereunder \_\_\_\_\_

Number of Shares now to be subscribed : \_\_\_\_\_

1. Pursuant to your Letter of Offer dated \_\_\_\_\_ and my acceptance thereof, I hereby exercise the Option to subscribe for \_\_\_\_\_ Shares in PNE Industries Ltd (the “**Company**”) at S\$ \_\_\_\_\_ for each Share.

2. I request the Company to allot and issue the said Shares in the name of The Central Depository (Pte) Limited (“**CDP**”) to the credit of my \*Securities Account with CDP/Sub-Account with the Depository Agent specified below and to deliver the share certificate(s) relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP and any stamp duty payable in respect thereof:

\* (i) Direct Securities Account No.: \_\_\_\_\_

\* (ii) Securities Sub-Account No.: \_\_\_\_\_

Name of Depository Agent \_\_\_\_\_

3. I enclose a \*cheque/cashier’s order/banker’s draft/postal order no. \_\_\_\_\_ for S\$ \_\_\_\_\_ in payment for the subscription for the total number of the said Shares.

4. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the PNE Employee Share Option Scheme 2026 (as the same may be amended pursuant to the terms thereof from time to time) and the Constitution of the Company.

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**APPENDIX A**  
**RULES OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026**

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

**PLEASE PRINT IN BLOCK LETTERS**

Name in full :

Designation :

Address :

Nationality :

\*NRIC/Passport No. :

Signature :

Date :

*\*Delete accordingly*

**Note:**

1. An Option may be exercised in whole or in part provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof.



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**APPENDIX B**  
**RULES OF THE PNE PERFORMANCE SHARE PLAN 2026**

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**1. NAME OF THE PERFORMANCE SHARE PLAN**

This Performance Share Plan shall be called the "**PNE Performance Share Plan 2026**" ("**PNE PSP**").

**2. DEFINITIONS**

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

- "Act"** : The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
- "Adoption Date"** : The date on which the PNE PSP is adopted by the Shareholders of the Company at a general meeting
- "Associate"** : (a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or a Controlling Shareholder (being an individual) means:
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more;
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more
- "Auditors"** : The auditors of the Company for the time being
- "Award"** : A contingent award of Shares granted under the PNE PSP
- "Award Date"** : In relation to an Award, the date on which the Award is granted pursuant to Rule 5
- "Award Letter"** : A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee

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**APPENDIX B**  
**RULES OF THE PNE PERFORMANCE SHARE PLAN 2026**

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<b>"Board"</b>	: The board of directors of the Company for the time being
<b>"CDP"</b>	: The Central Depository (Pte) Limited
<b>"Committee"</b>	: The Remuneration Committee of the Company for the time being, duly authorised and appointed by the Board to administer the PNE PSP
<b>"Company"</b>	: PNE Industries Ltd
<b>"Constitution"</b>	: The Constitution of the Company, as amended from time to time
<b>"Control"</b>	: The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
<b>"Controlling Shareholder"</b>	: A person who: <ul style="list-style-type: none"> <li>(a) holds directly or indirectly fifteen per cent. (15%) or more of the nominal amount of all voting shares in the Company; or</li> <li>(b) in fact exercises Control over the Company</li> </ul>
<b>"Director"</b>	: A person holding office as a director of a Group Company for the time being
<b>"Group"</b>	: The Company and its subsidiaries, and <b>"Group Company"</b> shall mean any one of such companies
<b>"Group Employee"</b>	: A full-time employee of a Group Company (including any Group Executive Director who meets the relevant criteria and who shall be regarded as a Group Employee for the purposes of the PNE PSP) selected by the Committee to participate in the PNE PSP in accordance with the PNE PSP.
<b>"Group Executive Director"</b>	: A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function
<b>"Group Non-Executive Director"</b>	: A director of the Company and/or any of its subsidiaries, as the case may be, other than one who performs an executive function
<b>"PNE PSP"</b>	: The PNE Performance Share Plan 2026, as the same may be modified or altered from time to time
<b>"Participant"</b>	: The holder of an Award (including, where applicable, the executor or personal representative of such holder)

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**APPENDIX B**  
**RULES OF THE PNE PERFORMANCE SHARE PLAN 2026**

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<b>"Performance Condition"</b>	: In relation to an Award, the performance condition prescribed by the Committee to be fulfilled or satisfied by the Participant as specified on the Award Date in relation to that Award
<b>"Performance Period"</b>	: A period, the duration of which is to be determined by the Committee at its discretion on the Award Date, during which the Performance Condition is to be fulfilled or satisfied
<b>"Record Date"</b>	: 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)
<b>"Release"</b>	: In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly and <b>"Released"</b> shall be construed accordingly
<b>"Release Schedule"</b>	: In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period.
<b>"Released Award"</b>	: An Award which has been released in accordance with Rule 7
<b>"Retention Period"</b>	: Such retention period as may be determined by the Committee and notified to the Participant at the grant of the relevant Award to that Participant
<b>"Rules"</b>	: Rules of the PNE PSP
<b>"Securities Account"</b>	: The securities account maintained by a Depositor with CDP
<b>"SFA"</b>	: The Securities and Futures Act 2001 of Singapore, as amended, supplemented or modified from time to time
<b>"SGX-ST"</b>	: Singapore Exchange Securities Trading Limited
<b>"Shareholders"</b>	: The registered holders for the time being of the Shares
<b>"Shares"</b>	: Issued and fully-paid ordinary shares in the capital of the Company

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**APPENDIX B**  
**RULES OF THE PNE PERFORMANCE SHARE PLAN 2026**

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<b>"Trading Day"</b>	: A day on which the Shares are traded on the SGX-ST
<b>"Vesting"</b>	: 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
<b>"Vesting Date"</b>	: In relation to Shares which are the subject of a Released Award, the date as determined by the Committee and notified to the relevant Participant on which those Shares have Vested pursuant to Rule 7
<b>"S\$"</b>	: Singapore dollars
<b>"%" or "per cent."</b>	: Per centum or percentage

The terms **"Depositor"**, **"Depository Agent"** and **"Depository Register"** shall have the meanings ascribed to them respectively by Section 130A of the Act.

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

Any reference in the PNE PSP to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in the PNE PSP shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

Any reference to a time of a day or date in this PNE PSP is a reference to Singapore time and dates unless otherwise stated.

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 genders and *vice versa*. References to persons shall include corporations.

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

- 3.1 The PNE PSP is a performance incentive scheme which will form an integral part of the Group's incentive compensation program.
- 3.2 The objectives of the PNE PSP are as follows:
- (a) provide an opportunity for Participants to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organisational commitment, dedication and loyalty of Participants towards the Group;
  - (b) foster an ownership culture within the Group which aligns the interests of Participants with the interests of shareholders;
  - (c) motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Group;

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- (d) give recognition to contributions made or to be made by Participants by introducing a variable component into their remuneration package; and
- (e) make employee remuneration sufficiently competitive to recruit and retain staff whose contributions are important to the long-term growth and profitability of the Group.

**4. ELIGIBILITY OF PARTICIPANTS**

4.1 The following persons shall be eligible to participate in the PNE PSP at the absolute discretion of the Committee, provided that, as at the Award Date, such person has attained the age of twenty-one (21) years and is not an undischarged bankrupt and has not entered into a composition with his/her creditors:

- (a) full-time confirmed Group Employees who hold such rank as may be designated by the Committee (including any Group Executive Director who meets the relevant criteria and who shall be regarded as a Group Employee for the purposes of the PNE PSP);
- (b) Group Non-Executive Directors (including independent Directors); and
- (c) Controlling Shareholders and their Associates,

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 who satisfy the criteria set out in Rule 4.1 above shall be eligible to participate in the PNE PSP, at the absolute discretion of the Committee, provided that:

- (a) written justification has been provided to Shareholders for such person's participation at the introduction of the PNE PSP or prior to the first Grant of Options to him;
- (b) (i) the participation by each such person, and (ii) the actual or maximum number of Shares and terms of any Awards to be granted to each such person have been specifically approved by Shareholders of the Company who are not beneficiaries of the grant in a general meeting in separate resolutions for each such person; and
- (c) all conditions for their participation in the PNE PSP as may be required by the Listing Manual and any other regulations or requirements of the SGX-ST from time to time are satisfied,

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

4.3 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any of the other companies within the Group.

4.4 Subject to the Act and any requirements of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee.

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**5. GRANT OF AWARDS**

5.1 Subject to the Rules, the Committee may grant Awards to eligible Group Employees, Group Non-Executive Directors (including independent Directors), Controlling Shareholders and their Associates, and in each case, as the Committee may select in its absolute discretion, at any time during the period when the PNE PSP is in force, provided that (i) no Award shall be granted during the period commencing one (1) month before the announcement of the Company's half year and full year financial statements (if not required to do quarterly reporting, or such relevant period as prescribed under the Listing Manual) and (ii) in the event that an announcement on any matter involving unpublished price sensitive information is made, Awards may only be granted on or after the second Market Day from the date on which the aforesaid announcement is made.

5.2 The Committee shall decide, in its absolute discretion, in relation to each Award:

- (a) the Participant;
- (b) the Award Date;
- (c) the number of Shares which are the subject of the Award (subject to Rule 4.2 and Rule 8);
- (d) the Performance Period;
- (e) the Performance Condition;
- (f) the Release Schedule; and
- (g) any other condition which the Committee may determine in relation to that Award, provided that the requirements under the Listing Manual and any other regulations or requirements of the SGX-ST from time to time are complied with.

The Performance Condition in relation to each Award shall be determined by the Committee in its absolute discretion, taking into account the objective of setting incremental performance targets or benchmarks which are in line with the objectives of the Company and the Group, as well as criteria such as the past and current performance, number of years of service, market conditions, scope of work and responsibilities of such Participant and any other qualitative factors.

5.3 The Committee may amend or waive the Performance Period, the Performance Condition and/or the Release Schedule in respect of any Award and shall notify the Participants of such change or waiver:

- (a) in the event of a general offer (whether conditional or unconditional) being made for all or any part of the Shares or if under any applicable laws, a court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company; or
- (b) if anything happens which causes the Committee to conclude that:

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- (i) a changed Performance Condition and/or Release Schedule would be a fairer measure of the performance of a Participant, and would be no less difficult to satisfy; or
- (ii) the Performance Condition and/or Release Schedule should be waived, as the Participant has achieved a level of performance that the Committee considers satisfactory notwithstanding that the Performance Condition may not have been fulfilled or for any other reason,

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

5.4 As soon as reasonably practicable after making an Award the Committee shall send to the relevant Participant an Award Letter confirming the Award and specifying in relation to the Award:

- (a) the Award Date;
- (b) the number of Shares which are the subject of the Award;
- (c) the Performance Period;
- (d) the Performance Condition;
- (e) the Release Schedule;
- (f) the Vesting Date; and
- (g) any other condition which the Committee may determine in relation to that Award.

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

5.6 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged, mortgaged, encumbered or otherwise disposed of, in whole or in part, except with the prior approval of the Committee 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 without the prior approval of the Committee, that Award or Released Award shall immediately lapse.

5.7 The grant of an Award to a Participant shall be accepted by the Participant within 15 days from the Award Date by completing, signing and returning to the Company an acceptance form in such form as the Committee shall approve, provided that the Participant remains eligible to participate in this PNE PSP in accordance with the Rules on the date which the Committee receives such acceptance form. The Participant may accept or refuse the whole but not part of the Award offered.

5.8 If the grant of an Award is not accepted by the Participant in the manner as provided in Rule 5.7, the Award offered shall, upon the expiry of the 15-day period referred in Rule 5.7, automatically lapse and shall forthwith become void and cease to have effect.

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**6. EVENTS PRIOR TO THE VESTING DATE**

6.1 An Award shall, to the extent not yet Released, immediately lapse and 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) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
- (b) subject to Rule 6.2(b), upon the Participant ceasing to be in the employment of or being a Director of the Group, for any reason whatsoever; or
- (c) in the event of an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purpose of Rule 6.1(b), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

6.2 In any of the following events:

- (a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of or interest in an Award;
- (b) where the Participant ceases to be in the employment of the Group, by reason of:
  - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
  - (ii) redundancy;
  - (iii) retirement at or after the legal retirement age;
  - (iv) retirement before the legal retirement age with the consent of the Committee;
  - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group, as the case may be;
  - (vi) (where applicable) his transfer of employment between companies within the Group;
  - (vii) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or
  - (viii) any other event approved by the Committee at its absolute discretion;
- (c) the death of the Participant; or
- (d) any other event approved by the Committee at its absolute discretion,



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the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition has been satisfied.

6.3 Without prejudice to the provisions of Rule 5.4 and to the extent of an Award yet to be Released, if before the Vesting Date, 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 compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under any applicable laws;
- (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 Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period which has elapsed and the extent to which the Performance Condition has been satisfied. Where such Award is Released, the Committee will, as soon as practicable after such Release, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7.

## **7. RELEASE OF AWARDS**

### **7.1 Review of Performance Condition**

- (a) In relation to each Performance-related Award, as soon as reasonably practicable after the end of each relevant Performance Period, the Committee shall review the Performance Condition specified in respect of each Award and determine at its discretion whether it has been satisfied and, if so, the extent to which it has been satisfied, and provided that the relevant Participant has continued to be an eligible person under Rule 4.1 from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

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If the Committee determines in its sole discretion that the Performance Condition has not been satisfied or (subject to Rule 6) or if the relevant Participant has not continued to be an eligible person under Rule 4.1 from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rule 7 (save for this Rule 7.1(a)) shall be of no effect.

The 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 Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

- (b) Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Trading Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1(a) and, on the Vesting Date, the 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 of and quotation for such Shares on the Main Board of the SGX-ST.

## **7.2 Release of Award**

- (a) Subject to the prevailing legislation, the Listing Manual and the constitution of the Company, the Company will have the flexibility to deliver Shares to Participants upon Release of their Awards by way of:
  - (i) an allotment and issue of new Shares; and/or
  - (ii) the transfer of existing Shares to the Participant, whether such existing Shares are purchased or acquired pursuant to a share buy-back mandate granted by Shareholders (including any renewal of such mandate) or (to the extent permitted by law) held as treasury shares.
- (b) In determining whether to issue new Shares or to deliver existing Shares to Participants on Release of their Awards, the Company will take into account factors such as (but not limited to):
  - (i) the prevailing Market Price of the Shares;
  - (ii) the financial performance of the Group;
  - (iii) the cash position of the Group and the projected capital requirements;
  - (iv) the dilution impact (if any);

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- (v) the cost to the Company of either issuing new Shares or purchasing existing Shares to hold as Treasury Shares; and
  - (vi) the liquidity of the Shares based on the average daily trading volume of the Shares, and in particular whether the repurchase by the Company of existing Shares to deliver to Participants upon Release of their Awards would materially impact the Market Price of the Shares.
- (c) Subject to such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to compliance with the terms of the PNE PSP and the Constitution of the Company, the Company shall, as soon as practicable after the Release of an Award, allot and issue the relevant Shares or transfer the Treasury Shares (as the case may be), and do such acts or things which are necessary for the transfer to be effective.
- (d) Shares which are allotted (as an issue of new Shares) or transferred (as a transfer of Shares then held by the Company as Treasury Shares) on the Release of an Award to a Participant shall be issued 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, in each case, as designated in writing by that Participant.

### **7.3 Shares**

New Shares allotted and issued, and existing Shares procured by the Company for transfer, to a Participant on 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.

### **7.4 Moratorium**

Shares which are allotted and issued or transferred to a Participant pursuant to the Release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of or encumbered, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the Award Letter the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

## **8. LIMITATION ON THE SIZE OF THE PNE PSP**

- 8.1 The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the PNE PSP on any date, when added to the aggregate number of Shares issued and issuable and/or transferred and transferrable in respect of (a) all Awards granted under the PNE 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

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not exceed fifteen per cent. (15%) of the total number of issued Shares excluding Treasury Shares and subsidiary holdings on the day preceding that date.

- 8.2 The aggregate number of Shares which may be issued or transferred pursuant to Awards under the PNE PSP to Participants who are Controlling Shareholders and their Associates shall not exceed twenty-five per cent. (25%) of the Shares available under the PNE PSP and such other share-based incentive schemes of the Company.
- 8.3 The number of Shares which may be issued or transferred pursuant to Awards under the PNE PSP to each Participant who is a Controlling Shareholder or his Associate shall not exceed ten per cent. (10%) of the Shares available under the PNE PSP and such other share-based incentive schemes of the Company.
- 8.4 The number of Shares in respect of which Awards may be offered to any Participant for subscription in accordance with the PNE PSP shall be determined at the absolute discretion of the Committee, which may take into account (where applicable) criteria such as designation, responsibilities, past performance, number of years of service, contributions to the Group and potential for future development of such person.
- 8.5 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the PNE PSP.

**9. ADJUSTMENT EVENTS**

- 9.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves, rights issue, reduction of capital, 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 future Awards may be granted under the PNE PSP,

may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a shareholder of the Company does not receive.

- 9.2 Unless the Committee considers an adjustment to be appropriate, (a) the issue of securities as consideration for an acquisition or a private placement of securities, or (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.
- 9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

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- 9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given.
- 9.5 Notwithstanding the provisions of Rule 9.1 or that no adjustment is required under the provisions of the PNE PSP, the Committee may, in any circumstances where it considers that no adjustment should be made or that it should take effect on a different date or that an adjustment should be made to any of the matters referred to in Rule 9.1 notwithstanding that no adjustment is required under the said provisions (as the case may be), request the Auditors to consider whether for any reasons whatsoever the adjustment or the absence of an adjustment is appropriate or inappropriate as the case may be, and, after such consideration, no adjustment shall take place or the adjustment shall be modified or nullified or an adjustment made (instead of no adjustment made) in such manner and on such date as shall be considered by such Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- 10. ADMINISTRATION OF THE PNE PSP**
- 10.1 The PNE PSP shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him.
- 10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the PNE PSP) for the implementation and administration of the PNE PSP, to give effect to the provisions of the PNE 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. Any matter pertaining or pursuant to the PNE PSP and any dispute and uncertainty as to the interpretation of the PNE PSP or any rule, regulation or procedure thereunder or any rights under the PNE PSP shall be determined by the Committee in its absolute discretion.
- 10.3 Neither the PNE PSP nor the grant of Awards under the PNE PSP shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with: (a) the lapsing of any Awards pursuant to any provision of the PNE PSP; (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the PNE PSP; and/or (c) any decision or determination of the Committee made pursuant to any provision of the PNE PSP.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of the PNE PSP (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the PNE PSP or any rule, regulation or procedure hereunder or as to any rights under the PNE PSP). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

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**11. NOTICES AND COMMUNICATIONS**

- 11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.
- 11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

**12. MODIFICATIONS TO THE PNE PSP**

- 12.1 Any or all the provisions of the PNE PSP may be modified and/or altered at any time and from time to time by a 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 Performance Conditions for their Awards being satisfied in full, would become entitled to not less than seventy-five per cent. (75%) of the aggregate number of the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Conditions for all outstanding Awards being satisfied in full;
  - (b) any modifications or alterations which would be to the advantage of Participants under the PNE PSP shall be subject to the prior approval of the Shareholders in general meeting; and
  - (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.
- 12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Board may at any time by resolution (and without other formality, save for the prior approval of SGX-ST) amend or alter the PNE PSP in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the PNE PSP to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

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- 12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants, but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

**13. TERMS OF EMPLOYMENT UNAFFECTED**

Notwithstanding the provisions of any other Rule:

- (a) the PNE 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 PNE PSP or any right which he may have to participate in it or any Award which he may be granted and the PNE 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 PNE 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.

**14. DURATION OF THE PNE PSP**

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

**15. TAXES**

All taxes (including income tax) arising from the grant or Release or Vesting of any Award granted to any Participant under the PNE PSP shall be borne by that Participant.

**16. COSTS AND EXPENSES OF THE PNE PSP**

- 16.1 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

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Participant's securities account with CDP, or the Participant's securities sub-account with a Depository Agent.

- 16.2 Each Participant 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 to such Participant. The Company shall not be responsible for any failure by any Participant to obtain any such consent or for any tax or other liability to which such Participant may become subject as a result of his participation in the PNE PSP.
- 16.3 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the PNE PSP to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the PNE PSP including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

**17. DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained, the Company, its Directors or employees or the Committee shall not under any circumstances be held liable for any costs, losses, expenses, liabilities or damages whatsoever and howsoever arising in any matter under or in connection with the PNE 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 7.1(c) (and any other stock exchange on which the Shares are quoted or listed).

**18. ANNUAL REPORT DISCLOSURE**

- 18.1 The Company shall make the following disclosures (as applicable) in its annual report to Shareholders for the duration of the PNE PSP:
- (a) the names of the members of the Committee administering the PNE PSP;
  - (b) the information required in the table below for the following Participants of the PNE PSP:
    - (i) Participants who are directors of the Company;
    - (ii) Participants who are Controlling Shareholders and their Associates; and
    - (iii) Participants (other than those in paragraphs (i) and (ii) above) who receive Shares pursuant to the Release of Awards granted under the PNE PSP which, in aggregate, represent five per cent. (5%) or more of the aggregate of the total number of Shares available under the PNE PSP; and



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**APPENDIX B**  
**RULES OF THE PNE PERFORMANCE SHARE PLAN 2026**

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Name of Participant	Aggregate number of Shares comprised in Awards granted during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since commencement of the PNE PSP to the end of the financial year under review	Aggregate number of Shares comprised in Awards released since commencement of the PNE PSP to the end of the financial year under review	Aggregate number of Shares comprised in Awards not yet released as at the end of the financial year under review

- (c) such other information as may be required by the Listing Manual, the Act and all other applicable laws and requirements,

If any of the above requirements are not applicable, an appropriate negative statement should be included therein.

- 18.2 The Company shall also make the necessary disclosures in the form of announcements to Shareholders, in accordance with Rule 704(29) of the Listing Manual.

**19. DISPUTES**

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

**20. ABSTENTION FROM VOTING**

Shareholders who are eligible to participate in the PNE PSP must abstain from voting on any Shareholders' resolution relating to the PNE PSP, including any Shareholders' resolution relating to the implementation of the PNE PSP, or the participation by and Awards granted to, Controlling Shareholders and/or their Associates, and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

**21. GOVERNING LAW**

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

**22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001**

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

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### PNE INDUSTRIES LTD

(Registration Number: 199905792R)  
(Incorporated in the Republic of Singapore)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting ("**EGM**") of PNE Industries Ltd (the "**Company**") will be held at Emerald Suite @ Golf Clubhouse, Orchid Country Club, 1 Orchid Club Road, Level 2, Singapore 769162 on Thursday, 22 January 2026 at 9.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.00 a.m. on the same day and at the same place), for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions 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 7 January 2026 ("**Circular**").*

### ORDINARY RESOLUTIONS

#### **RESOLUTION 1: PROPOSED ADOPTION OF THE PNE EMPLOYEE SHARE OPTION SCHEME 2026**

THAT:

- (a) a share option scheme to be known as the "PNE Employee Share Option Scheme 2026" (the "**PNE ESOS**"), the details and rules of which are set out in the Circular, under which options ("**Options**") to subscribe for ordinary shares in the capital of the Company (the "**Shares**") will be granted to selected Employees and Directors of the Company and its Subsidiaries (including Non-Executive Directors) and Controlling Shareholders and/or their Associates, and other selected participants, details of which are set out in the Circular, be approved;
- (b) the Directors of the Company or the remuneration committee be authorised to:
  - (i) implement, establish and administer the PNE ESOS;
  - (ii) modify and/or amend the PNE ESOS from time to time, provided that such modification and/or amendment is effected in accordance with the provisions of the PNE ESOS and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the PNE ESOS;
  - (iii) offer and grant Options in accordance with the rules of the PNE ESOS and pursuant to Section 161 of the Companies Act to allot and issue and/or deliver from time to time such number of fully paid-up Shares as may be required to be issued or delivered pursuant to the exercise of Options provided that the aggregate number of Shares available pursuant to the PNE ESOS, the PNE PSP and any other share-based schemes of the Company,

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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shall not exceed fifteen per cent. (15%) of the total number of all issued Shares of the Company (excluding Treasury Shares and subsidiary holdings) from time to time; and

- (iv) subject to the same being allowed by law, apply any Share purchased under any share buyback mandate towards the Shares required to be issued pursuant to the exercise of Options granted under the PNE ESOS; and
- (c) complete and do all such acts and things (including executing such documents and approving any amendments, alterations or modifications to any documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this resolution.

### RESOLUTION 2: PROPOSED GRANT OF OPTIONS UNDER THE PNE EMPLOYEE SHARE OPTION SCHEME 2026 AT A DISCOUNT

THAT, subject to and contingent upon the passing of Ordinary Resolution 1, approval be given for Options to be granted under the PNE ESOS for the subscription of Shares at exercise prices which may, at the discretion of the Committee administering the PNE ESOS, be set at a discount not exceeding twenty per cent. (20%) of the Market Price for the Shares prevailing at the Date of Grant of the respective Options (such market price to be determined in accordance with the Rules of the PNE ESOS), provided that such discount does not exceed the relevant limits as may be set by the SGX-ST from time to time.

### RESOLUTION 3: PROPOSED ADOPTION OF THE PNE PERFORMANCE SHARE PLAN 2026

THAT:

- (a) a share award plan to be known as the “PNE Performance Share Plan 2026” (the “**PNE PSP**”), the rules of which are set out in the Circular and under which awards (“**Awards**”) of fully-paid Shares, their equivalent cash value or combinations thereof will be granted, free of payment, to selected employees of the Company and/or its subsidiaries, including the Directors of the Company, and other selected participants, details of which are set out in the Circular, be approved;
- (b) the Directors of the Company or the remuneration committee be authorised to:
  - (i) implement, establish and administer the PNE PSP;
  - (ii) modify and/or amend the PNE PSP from time to time, provided that such modification and/or amendment is effected in accordance with the provisions of the PNE PSP and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the PNE PSP;
  - (iii) offer and grant Awards in accordance with the rules of the PNE PSP and pursuant to Section 161 of the Companies Act and to allot and issue such number of fully-paid Shares and/or transfer such number of existing Shares held in treasury, free of charge, as may be required to be issued or delivered from time to time pursuant to the vesting of Awards under the PNE PSP, provided that the aggregate number of Shares issued and/or issuable and/or transferred and transferable pursuant to the PNE ESOS, the PNE PSP and all other share-based incentive schemes of the Company for the time being in

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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force, shall not exceed fifteen per cent. (15%) of the total number of issued Shares of the Company (excluding Treasury Shares and subsidiary holdings) from time to time; and

- (iv) subject to the same being allowed by law, apply any Share purchased under any share buyback mandate towards the satisfaction of Awards granted under the PNE PSP; and
- (c) the Directors be authorised to complete and do all such acts and things (including executing such documents and approving any amendments, alterations or modifications to any documents as may be required) as they may in their absolute discretion consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this Ordinary Resolution 3.

By Order of the Board

**PNE INDUSTRIES LTD**

Tan Koon Chwee  
Managing Director  
7 January 2026

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Important Information

#### General

1. The EGM will be held, in a wholly physical format, at the venue, date and time stated above. There will be no option for members to participate virtually.
2. Printed copies of this Notice of EGM and Proxy Form will be despatched by post to members. These documents (together with the Circular) will also be published on the Company's corporate website at URL: <https://pne.com.sg/industries/> and will also be made available on the SGX website at the URL: <https://www.sgx.com/securities/company-announcements>.
3. Authenticated members, including CPF and SRS investors, and proxy(ies) will be able to ask questions and vote at the EGM by attending the EGM in person. Arrangements have also been put in place to permit members to submit their questions ahead of the EGM. Please refer to Notes 12 and 13 below for further details.
4. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.  
  
(b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

#### Voting by Proxy

5. A proxy need not be a member of the Company.
6. Completion and return of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the EGM if he/she so wishes. The appointment of the proxy(ies) for the EGM will be deemed to be revoked if the member attends the EGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the EGM.
7. The proxy form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal (or by the signatures of authorised persons in the manner as set out under the Companies Act as an alternative to sealing) or under the hand of an attorney or a duly authorised officer of the corporation.
8. In the case of a member whose shares are entered against his/her name in the depository register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any Proxy Form lodged if such member is not shown to have Shares entered against his/her/its name in the depository register as at 72 hours before the time appointed for the EGM, as certified by The Central Depository (Pte) Limited to the Company.
9. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
  - (a) if submitted electronically, be submitted via email to [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com); or
  - (b) if submitted by post, to be sent to the registered office of the Company, 996 Bendemeer Road #07-06, Singapore 339944,

in either case, by 9.30 a.m. on 19 January 2026, being 72 hours before the time for holding the EGM.

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

Members are strongly encouraged to submit completed proxy forms electronically via email.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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10. CPF/SRS investors who hold the Company's shares:
- (a) may vote at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
  - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators by 9.30 a.m. on 12 January 2026 to submit their votes.
11. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

### **Submission of Questions prior to the EGM**

12. Members, including CPF and SRS investors, may submit substantial and relevant questions relating to the business of the EGM in advance and in any case, not later than 9.30 a.m. on 14 January 2026 through any of the following means:
- (a) if submitted by post, to the registered office of the Company, 996 Bendemeer Road #07-06, Singapore 339944; or
  - (b) if submitted electronically, be submitted via email to [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com).

A member who wishes to submit the questions is required to indicate the full name (for individuals)/company name (for corporates), NRIC/Passport No./Company Registration No., email address, contact number, shareholding type and number of shares held together with their submission, before submitting it in the manner stated above.

13. The Board of Directors of the Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the EGM by publishing the responses to those questions on SGXNET at URL <https://www.sgx.com/securities/company-announcements> and the Company's website at URL <https://pne.com.sg/industries/> at least 72 hours (being 16 January 2026), prior to the closing date and time for the lodgement of the proxy forms on 19 January 2026. Where substantial relevant questions submitted by Shareholders are unable to be addressed prior to the EGM, the Company will address them during the EGM. The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) received.
14. The Circular has been published on the Company's corporate website and may be accessed at URL <https://pne.com.sg/industries/>. The Circular will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

### **PERSONAL DATA PRIVACY:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of the member's proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

# Proxy Form

## PNE INDUSTRIES LTD

Company registration no. 199905792R  
(Incorporated in the Republic of Singapore)

### IMPORTANT:

1. The Circular and Notice of Extraordinary General Meeting (“EGM”) dated 7 January 2026 and the proxy form have been made available on SGX website at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s website at URL <https://pne.com.sg/industries/>.
2. The EGM will be held, in a wholly physical manner, at the venue, date and time as stated below. There will be no option for members to participate virtually.
3. A relevant intermediary may appoint more than two (2) proxies to attend the EGM and vote (please see note 2 for the definition of “relevant intermediary”).
4. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 7 January 2026.
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 attend, speak and vote on his/her/its behalf at the Meeting.

\*I/We \_\_\_\_\_ (Name)

(\*NRIC / Passport / Company Registration No. \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_) (Address) being a \*member /

members of PNE Industries Ltd, hereby appoint:

Name	Address	NRIC / Passport Number	Proportion of shareholdings (%)

and/or (delete as appropriate)

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or failing the person, or either or both persons referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the EGM (the “Meeting”) of the Company to be held at Emerald Suite @ Golf Clubhouse, Orchid Country Club, 1 Orchid Club Road, Level 2, Singapore 769162 on Thursday, 22 January 2026 at 9.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.00 a.m. on the same day and at the same place), and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the Resolutions proposed at the Meeting as indicated hereunder. 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 proxy/proxies will vote or abstain from voting at his/her discretion.

All resolutions put to the vote at the Meeting shall be conducted by poll.

No.	Ordinary Resolutions	For	Against	Abstain
1	Proposed Adoption of the PNE Employee Share Option Scheme 2026			
2	Proposed Grant of Discounted Options under the PNE Employee Share Option Scheme 2026			
3	Proposed Adoption of the PNE Performance Share Plan 2026			

Note: 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 or to abstain from voting on a resolution, please indicate with a “X” in the “For”, “Against” or “Abstain” box provided in respect of that resolution. Alternatively, please indicate the number of votes “For”, “Against” or “Abstain” in the “For”, “Against” or “Abstain” box provided in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2026.

Total Number of Shares

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

\*Delete Accordingly

**Important: Please read notes overleaf**

FOLD THIS FLAP FOR SEALING

# Proxy Form

Affix  
Postage  
Stamp

The Company Secretary  
**PNE Industries Ltd**  
996 Bendemeer Road #07-06  
Singapore 339944

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## Notes:

1. Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument ("Proxy Form") appointing the Chairman of the Meeting as proxy shall be deemed to relate to all the shares held by you.
2. A member who is a relevant intermediary, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
4. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. A proxy need not be a member of the Company.
5. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.
6. Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act 1967 (excluding SRS investors) and who wish to exercise their votes by appointing a proxy or proxies should approach their respective relevant intermediaries to submit their voting instructions as soon as possible. In the case of CPF/SRS investors, they must do so at least **seven (7) working days before the EGM** (i.e. by 12 January 2026, 9.30 a.m.) in order to allow sufficient time for their respective relevant intermediaries to

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in turn submit a proxy form to appoint a proxy or proxies to vote on their behalf by 9.30 a.m. on 19 January 2026.

7. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

A member who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the registered office of the Company, 996 Bendemeer Road #07-06, Singapore 339944 or by scanning and sending it via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com) as soon as possible, in either case, by 9.30 a.m. on 19 January 2026 (being at least 72 hours before the time appointed for holding the Meeting).

**Members are strongly encouraged to submit completed proxy forms electronically via email.**

## PERSONAL DATA PRIVACY:

By submitting a proxy form appointing a proxy or proxies, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 7 January 2026.

## GENERAL:

The Company shall be entitled to reject the proxy form appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form appointing a proxy or proxies lodged if the member, being the appointor, 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 Meeting, as certified by The Central Depository (Pte) Limited to the Company.