

**RESPONSES TO QUESTIONS RECEIVED FOR THE EXTRAORDINARY GENERAL MEETING 2020**

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The following questions were received from the shareholders of First Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) for the Company’s Extraordinary General Meeting on 1 June 2020. Accordingly, please find below the responses from the Company.

**Question 1**

**What is the reason for including the administrators as participants of the share option/award scheme?**

**The Company’s Response:**

Pursuant to Rule 849 of the Listing Manual, the schemes must be administered by a committee comprising Directors (the “**Committee**”).

As stated in Paragraph 2.2, of the Circular, the schemes are intended to, amongst other things, motivate and reward Group Employees (including Directors). The Company recognises that Committee members (in their role as Directors) also contribute to the growth and success of the Group and therefore should be included in the schemes. In particular, Directors who occupy executive positions are involved in the day to day management and operations of the Group, while Non-Executive Directors, though not involved in the day-to-day running of the Group, play an invaluable role in the Group’s success by applying their experience, drawing on their knowledge and utilising their expertise for the benefit of the Group.

Notwithstanding the aforesaid, a participant who is a member of the Committee must not be involved in its deliberations in respect of options or awards to be granted to himself pursuant to Rule 849. This has also been set out in Paragraphs 3.1(j) and 4.1(h) of the Circular.

**Question 2**

**Are there any details about the performance conditions, targets, vesting period and holding period that can be shared publicly?**

**The Company’s Response:**

Performance conditions, targets, vesting period and holding period will primarily depend on the role of the relevant Group Employee and the objectives of the Group. For instance, performance targets or conditions may comprise group or individual sales targets, the performance of the Company’s share price over a designated period, the Group profitability and other key performance indicators. The appropriate condition/target, or the vesting or holding period, depends on many factors, including the role/designation of the Group Employee and the financial/operational objectives which the Group intends to achieve, and accordingly, will be determined by the Committee on a case-by-case basis.

**Question 3**

**Do outstanding awards become vested immediately upon change in control?**

The Company's Response:

No, change in control of the Company does not trigger an immediate vesting of outstanding Awards.

**Question 4**

**Please confirm that options under the share option scheme may be issued with a discount of up to 20%?**

The Company's Response:

Yes, the rules of the 2020 ESOS and the Listing Manual, together with the shareholders' approval sought by the Company under Ordinary Resolution 2 of the EGM, authorises the Company to issue Options with an exercise price of not more than 20% discount to the market price.

**Question 5**

**Please confirm that dilution under the share award scheme is up to 15%?**

The Company's Response:

Yes, under the rules of the 2020 ESOS and 2020 ESAS as well as the Listing Manual, the aggregate number of new shares issued and/or issuable under all share-based incentive schemes (including the 2020 ESOS and 2020 ESAS) should not exceed 15% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings). This has also been set out in paragraphs 3.1 (c) and 4.1(c) of the Circular.

BY ORDER OF THE BOARD  
FIRST RESOURCES LIMITED

Tan Lay Hong  
Company Secretary  
27 May 2020