

CIRCULAR DATED 13 April 2015

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

This Circular is issued by Manufacturing Integration Technology Ltd (the “**Company**”). If you are in doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward this Circular and the Proxy Form to the Notice of Annual General Meeting (as defined herein) in the Annual Report (as defined below) to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the “SGX-ST”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



MANUFACTURING INTEGRATION TECHNOLOGY LTD

(Incorporated in the Republic of Singapore with limited liability)

(Company Registration No. 199200075N)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

This Circular is issued to you together with the Group’s (as defined herein) Annual Report for the financial year ended 31 December 2014 (the “**Annual Report**”). The resolutions proposed to be passed in relation to the above matter are set out in the Notice of Annual General Meeting attached to the Annual Report.

IMPORTANT DATES AND TIMES

| | | |
|---|---|---|
| Last date and time for lodgment of Proxy Form | : | 26 April 2015 at 9.30 a.m. |
| Date and time of Annual General Meeting | : | 28 April 2015 at 9.30 a.m. |
| Place of Annual General Meeting | : | Ficus Room 1, Level 2 Jurong Country Club 9 Science Centre Road Singapore 609078 |

CONTENTS

| | PAGE |
|--|-------------|
| DEFINITIONS | 3 |
| LETTER TO SHAREHOLDERS | 7 |
| 1. INTRODUCTION | 7 |
| 2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE | 7 |
| 3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS | 22 |
| 4. DIRECTORS' RECOMMENDATIONS | 23 |
| 5. INSPECTION OF DOCUMENTS | 23 |
| 6. DIRECTORS' RESPONSIBILITY STATEMENT | 23 |

DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:-

- “2014 AGM”** : The annual general meeting of the Company held on 28 April 2014.
- “2015 AGM”** : The annual general meeting of the Company to be held on 28 April 2015 at 9.30 a.m. (or any adjournment thereof).
- “ACRA”** : Accounting and Corporate Regulatory Authority.
- “Act”** : The Companies Act, Chapter 50 of Singapore, as may be amended, modified or supplemented from time to time.
- “Approval Date”** : The date of the last annual general meeting of the Company at which the Share Buy-Back Mandate was approved.
- “Articles of Association”** : The Articles of Association of the Company.
- “Associate”** : a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:-
- i. his immediate family;
 - ii. the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - iii. any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- “associated company”** : A company in which at least 20% but not more than 50% of the shares are held by the Company or the Group.
- “Board”** : The board of Directors of the Company as at the Latest Practicable Date.
- “CDP”** : The Central Depository (Pte) Limited.

DEFINITIONS

| | | |
|---|---|---|
| “Circular” | : | This circular to Shareholders dated 13 April 2015. |
| “Controlling Shareholder” | : | A person who: a) holds directly or indirectly 15% or more of all voting shares in the Company, unless determined by SGX-ST that such person is not a controlling shareholder; or b) in fact exercises control over the Company. |
| “Director” | : | A person holding office as a director of the Company as at the Latest Practicable Date. |
| “EPS” | : | Earnings per Share. |
| “FY” | : | The financial year ended or ending 31 December. |
| “Group” | : | The Company and its subsidiaries. |
| “immediate family” | : | In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent. |
| “Latest Practicable Date” | : | 31 March 2015, being the latest practicable date prior to the printing of this Circular. |
| “Listing Manual” | : | The Listing Manual of the SGX-ST, as may be amended, modified or supplemented from time to time. |
| “Market Day” | : | A day on which the SGX-ST is open for trading in securities. |
| “Memorandum” | : | The Memorandum of Association of the Company. |
| “month” | : | A calendar month. |
| “Notice of Annual General Meeting” | : | The notice of annual general meeting dated 13 April 2015 attached to the Annual Report. |
| “NTA” | : | Net tangible assets |
| “Option” | : | A share option to subscribe for new Shares granted pursuant to the MIT Employees’ Share Option Scheme 2009. |
| “Securities Account” | : | A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent. |
| “SGX-ST” | : | Singapore Exchange Securities Trading Limited. |

DEFINITIONS

| | | |
|---------------------------|---|--|
| “Share Buy-Back Mandate” | : | The general mandate to authorise the Directors to exercise all the powers of the Company to purchase or otherwise acquire its issued Shares upon and subject to the terms of such mandate. |
| “Share Purchase” | : | The purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate. |
| “Shareholders” | : | Registered holders of Shares, except that where the registered holder is the CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors into whose Securities Accounts those Shares are credited. Any reference to Shares held by Shareholders shall include Shares standing to the credit of the respective Shareholders’ Securities Accounts. |
| “Shares” | : | Ordinary shares in the capital of the Company. |
| “Substantial Shareholder” | : | A person who has an interest in the voting shares in the Company representing not less than 5% of all the voting shares. |
| “Take-over Code” | : | The Singapore Code on Take-overs and Mergers, and all practice notes, rules and guidelines thereunder, as may from time to time be issued or amended. |
| “treasury shares” | : | Issued Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances in which Section 76H of the Act applies and have been held by the Company continuously since the treasury share was so purchased. |
| “\$” or “S\$” and “cents” | : | Singapore dollars and cents respectively, unless otherwise stated. |
| “%” or “per cent.” | : | Per centum or percentage. |

In this Circular:

- (i) The expressions “**acting in concert**” and “**associate**” shall have the meaning ascribed to them respectively in the Take-over Code.
- (ii) The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Act.
- (iii) 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 gender and the neuter gender and *vice versa*.
- (iv) References to persons shall include corporations.
- (v) Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Act, the Listing Manual or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the Act, the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

DEFINITIONS

- (vi) Any reference to a time of day and date in this Circular is a reference to Singapore time and date respectively, unless otherwise stated.
- (vii) Any discrepancies in figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.
- (viii) The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

LETTER TO SHAREHOLDERS

MANUFACTURING INTEGRATION TECHNOLOGY LTD

(Incorporated in the Republic of Singapore with limited liability)

(Company Registration No. 199200075N)

Board of Directors:

Kwong Kim Mone (Chairman and Managing Director)

Lim Chin Tong (Executive Director)

Lee Yong Guan (Lead Independent Director)

Lim Yeok Hua (Independent Director)

Pow Tien Tee (Independent Director)

Kam Boon Cheong (Independent Director)

Registered Office:

Blk 5004 Ang Mo Kio Ave 5

#03-12 TECHplace II

Singapore 569872

13 April 2015

To: The Shareholders of Manufacturing Integration Technology Ltd

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

1. INTRODUCTION

1.1 2015 AGM

The Directors wish to refer to (i) the Notice of Annual General Meeting dated 13 April 2015, accompanying the Company's Annual Report to convene the 2015 AGM; and (ii) Resolution 12 being the ordinary resolution for the proposed renewal of the Share Buy-Back Mandate.

1.2 Circular

The purpose of this Circular is to provide Shareholders with the relevant information in relation to the above, and to seek the approval of Shareholders at the 2015 AGM for the matters set out in this Circular. The SGX-ST assumes no responsibility for the accuracy of any statements made or opinions expressed or reports contained in this Circular.

2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

2.1 Background

At the 2014 AGM, the Shareholders had approved the renewal of the Share Buy-Back Mandate to enable the Company to purchase or otherwise acquire Shares in the capital of the Company. The rationale for, the authority and limitations on, and the financial effects of, the Share Buy-Back Mandate were set out in the Company's circular to Shareholders dated 11 April 2014.

The Share Buy-Back Mandate was expressed to take effect on the date of the passing of the ordinary resolution approving the renewal of the Share Buy-Back Mandate at the 2014 AGM and will expire on the date of the 2015 AGM, or until it is varied or revoked by an ordinary resolution of the Shareholders in general meeting (if so varied or revoked prior to the 2015 AGM). Accordingly, the Directors propose that the Share Buy-Back Mandate be renewed at the 2015 AGM.

LETTER TO SHAREHOLDERS

2.2 Introduction

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Act, the Listing Manual and such other laws and regulations as may, for the time being, be applicable.

Under Rule 881 of the Listing Manual, a company which wishes to purchase or acquire its own shares should obtain approval of its shareholders to do so at a general meeting. Accordingly, approval is being sought from Shareholders at the 2015 AGM to renew the Share Buy-Back Mandate to enable the Company to purchase or acquire its issued Shares.

If approved by Shareholders at the 2015 AGM, the authority conferred by the Share Buy-Back Mandate will continue to be in force until the next annual general meeting of the Company (whereupon it will lapse, unless renewed at such meeting) or until it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the next annual general meeting).

2.3 Rationale for the Share Buy-Back Mandate

The proposed renewal of the Share Buy-Back Mandate will give the Directors the flexibility to purchase or acquire the Shares of the Company if and when circumstances permit. The Directors believe that the Share Buy-Back Mandate provides the Company and its Directors with a mechanism to facilitate the return of any surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. It also allows the Directors to exercise greater control over the Company's share capital structure, dividend payout and cash reserves.

Share Purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the EPS and/or NTA of the Company, and will only be made when the Directors believe that such Share Purchases would benefit the Company and its Shareholders.

Shareholders should note that Share Purchases pursuant to the Share Buy-Back Mandate will only be made when the Directors believe that such Share Purchases would not result in a material adverse effect on the financial position or listing status of the Company.

2.4 Authority and Limits on the Share Buy-Back Mandate

The authority and limitations placed on purchases of Shares by the Company under the Share Buy-Back Mandate are summarised below:

2.4.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the issued share capital of the Company, ascertained as at the Approval Date, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the relevant period, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered. For purposes of calculating the percentage of issued Shares above, any of the Shares which are held as treasury shares will be disregarded.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 219,208,870 Shares (excluding 3,437,000 treasury shares held by the Company as at the Latest Practicable Date) and assuming that no further Shares are issued on or prior to the 2015 AGM, not more than 21,920,887 Shares (representing 10% of the issued and paid-up share capital of the Company

LETTER TO SHAREHOLDERS

as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buy-Back Mandate.

2.4.2 Duration of Authority

Share Purchases may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

- (a) the conclusion of the next annual general meeting or the date by which such annual general meeting is required by law to be held;
- (b) the date on which the buy-backs of the Shares are carried out to the full extent mandated; or
- (c) the date on which the authority conferred in the Share Buy-Back Mandate is varied or revoked by the Shareholders in a general meeting.

The Share Buy-Back Mandate may be renewed at each annual general meeting or other general meeting of the Company.

2.4.3 Manner of Purchase of Shares

Share Purchases may be made by way of, *inter alia*:

- (a) on-market share purchases (“**On-Market Share Purchase**”), transacted on the SGX-ST through the SGX-ST’s ready market trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market share purchases (“**Off-Market Share Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act and the Listing Manual.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Listing Manual and the Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). An Off-Market Share Purchase must, however, satisfy all the following conditions:

- (a) the offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
 - (ii) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

LETTER TO SHAREHOLDERS

In addition, the Listing Manual provides that, in making an Off-Market Share Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share Purchase;
- (d) the consequences, if any, of Share Purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the Share Purchase, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any Share Purchases made by the Company in the previous 12 months (whether On-Market Share Purchases or Off-Market Share Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the Share Purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.4.4 Maximum Purchase Price

The purchase price per Share (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (a) in the case of an On-Market Share Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Share Purchase pursuant to an equal access scheme, up to 120% of the Average Closing Price (as defined hereinafter),

(the “**Maximum Price**”) in either case, excluding related expenses of the Share Purchase.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days, on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the On-Market Share Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five (5) day period; and

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase.

LETTER TO SHAREHOLDERS

2.5 Status of Shares Purchased by the Company

2.5.1 Cancellation

Any Share which is purchased or acquired by the Company shall, unless held as treasury shares to the extent permitted under the Act, be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. The total number of Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Act) will be automatically de-listed by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

2.5.2 Treasury Shares

Under the Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Act are summarised below:

(a) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury shares into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

LETTER TO SHAREHOLDERS

Rule 704(28) of the Listing Manual requires that the Company immediately announce any sale, transfer, cancellation and/or use of treasury shares stating the following:

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) number of shares before and after such sale, transfer, cancellation and/or use;
- (v) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Source of Funds for the Share Buy-Back

The Company may only apply funds legally available for such Share Purchases in accordance with its Memorandum and Articles of Association, and the applicable laws in Singapore. The Share Purchases may be made out of the Company's profits or capital so long as the Company is solvent. The Company may not buy Shares on the SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Pursuant to Section 76F(4) of the Act, the Company is solvent if (a) it is able to pay its debts in full at the time of and will be able to pay its debts as they fall due in the normal course of business in the 12 months immediately following such date of payment; and (b) the value of its assets is not less than the value of its liabilities (including contingent liabilities) and such value of its assets will not, after any purchase of Shares for purposes of any proposed acquisition or release of the Company's obligations, become less than the value of its liabilities (including contingent liabilities). In determining that the Company is solvent, the Directors must have regard to the most recently audited financial statements and other relevant circumstances, and may rely on valuations of assets or estimates of liabilities that are reasonable in the circumstances. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

When Shares are purchased or acquired, and cancelled:

- (a) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) (the "**Purchase Price**");
- (b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits by the total amount of the Purchase Price; or
- (c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the total amount of the Purchase Price.

The Company may use internal resources and/or external borrowings to finance Share Purchases pursuant to the Share Buy-Back Mandate.

The Directors do not propose to exercise the Share Buy-Back Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected.

LETTER TO SHAREHOLDERS

2.7 Take-over Implications under the Singapore Code on Take-overs and Mergers

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any Share Purchase by the Company are set out below.

2.7.1 Obligation to make a Take-over Offer

If, as a result of any Share Purchase by the Company, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a director of the Company could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

2.7.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of the company. Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert, namely:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, any company whose associated companies include any of the above companies and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the above companies for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company, (together with their close relatives, related trusts and companies controlled by any of them), which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual with his close relatives, his related trusts, and any person who is accustomed to act according to his instructions, companies controlled by any of the above persons and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the above for the purchase of voting rights.

LETTER TO SHAREHOLDERS

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.7.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such directors of the Company and their concert parties would increase to 30% or more, or in the event that such directors of the Company and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such directors of the Company and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-Back Mandate.

Based on the shareholdings of the Directors in the Company as at the Latest Practicable Date, none of the Directors and parties acting in concert with them will become obligated to make a mandatory take-over offer under Rule 14 of the Take-over Code in the event that the Company purchases the maximum number of 21,920,887 Shares by the Company pursuant to the Share Buy-Back Mandate. The interests of the Directors are disclosed in Section 3 below.

The Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buy-Back Mandate.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

2.8 Financial Impact

2.8.1 General

Shareholders should note that the financial effects illustrated below are for illustration purposes only. In particular, it is important to note that the financial analyses set out below are based on the audited financial statements of the Company for FY2014 and are not necessarily representative of the future financial performance of the Group. Although the proposed Share Buy-Back Mandate would authorise the Company to buy back up to 10% of the Company's issued Shares, the Company may not necessarily buy back or be able to buy back 10% of the issued Shares in full.

LETTER TO SHAREHOLDERS

2.8.2 Financial Effects of the Share Buy Back Mandate

It is not possible for the Company to realistically calculate or quantify the financial effects of purchases or acquisitions that may be made pursuant to the Share Buy-Back Mandate, as it would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, the amount (if any) borrowed by the Company to fund the purchases, whether the Share Purchase is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled.

The Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Company. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Company, and the prevailing market conditions. The proposed Share Buy-Back Mandate will be exercised with a view to enhance the earnings and/or NTA value per Share of the Company. The financial effects presented in this Section of this Circular are based on the assumptions set out below.

(a) *Information as at the Latest Practicable Date*

As at the Latest Practicable Date, the Company has 219,208,870 issued Shares (excluding 3,437,000 treasury shares).

(b) *Purchase or Acquisition out of Profits and/or Capital*

Where the consideration paid by the Company for the Share Purchase is made out of capital, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will not affect the amount available for distribution in the form of cash dividends by the Company.

Where the consideration paid by the Company for the Share Purchase is made out of retained profits, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for distribution in the form of cash dividends by the Company.

(c) *Purchase or Acquisition out of Internal Resources and/or External Borrowing*

Where the Share Purchase is financed through internal resources, it will reduce the cash reserves, the current assets and shareholders' funds of the Group and the Company. This will result in an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

Where a Share Purchase is financed through external borrowings or financing, there would also be a similar increase in the gearing ratios and a decline in the current ratios of the Group and the Company, with the actual impact dependent on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

The impact of purchases or acquisitions under the Share Buy-Back Mandate on net asset value, EPS and gearing of the Company and the Group will depend, *inter alia*, on the number of Shares purchased or acquired, the price at which they are purchased or acquired and the manner in which the purchase or acquisition is funded. It is therefore not possible to realistically calculate or quantify the impact at this point of time.

LETTER TO SHAREHOLDERS

(d) *Number of Shares Acquired or Purchased*

Based on the 219,208,870 issued and paid-up Shares as at the Latest Practicable Date, disregarding the 3,437,000 ordinary shares held in treasury, and assuming no further Shares are issued and no Shares are held by the Company as treasury shares on or prior to the 2015 AGM, the purchase or acquisition by the Company of up to the maximum limit of 10% of its issued Shares will entail a purchase or acquisition of 21,920,887 Shares.

(e) *Maximum Price Paid for Shares Purchased or Acquired*

In the case of On-Market Share Purchases by the Company and assuming that the Company purchases or acquires 21,920,887 Shares (representing 10% of its issued Shares) at the Maximum Price of \$0.169 per Share (being the price equivalent to 105% of the Average Closing Price of the Shares traded on the SGX-ST for the five (5) consecutive Market Days immediately preceding the Latest Practicable Date), the maximum amount of funds required is \$3,704,630, excluding brokerage, commission, applicable goods and services tax and other related expenses.

In the case of Off-Market Share Purchases by the Company and assuming that the Company purchases or acquires 21,920,887 Shares (representing 10% of its issued Shares) at the Maximum Price of \$0.193 per Share (being the price equivalent to 120% of the Average Closing Price of the Shares traded on the SGX-ST for the five (5) consecutive Market Days immediately preceding the Latest Practicable Date), the maximum amount of funds required is \$4,230,731, excluding brokerage, commission, applicable goods and services tax and other related expenses.

(f) *Illustrative Financial Effects*

For illustrative purposes only and on the basis of the assumptions set out above, the financial effects of:

- (i) the acquisition of 10% Shares by the Company in an On-Market Share Purchase or Off-Market Share Purchase pursuant to the Share Buy-Back Mandate by way of Share Purchases made entirely out of capital and held as treasury shares;
- (ii) the acquisition of 10% Shares by the Company in an On-Market Share Purchase or Off-Market Share Purchase pursuant to the Share Buy-Back Mandate by way of Share Purchases made entirely out of capital and cancelled; and
- (iii) the acquisition of 10% Shares by the Company in an On-Market Share Purchase or Off-Market Share Purchase pursuant to the Share Buy-Back Mandate by way of Share Purchases made entirely out of profits and cancelled.

LETTER TO SHAREHOLDERS

on the audited financial results of the Company for FY2014, are set out below:

(i) Purchases made entirely out of capital and held as treasury shares

On-Market Share Purchases

| \$'000 | Group | | Company | |
|-----------------------------------|-----------------|----------------|-----------------|----------------|
| | Before Buy-back | After Buy-back | Before Buy-back | After Buy-back |
| Share Capital | 46,286 | 46,286 | 46,286 | 46,286 |
| Treasury Shares | (518) | (4,223) | (518) | (4,223) |
| Other Reserves | 440 | 440 | 187 | 187 |
| Accumulated Losses | (8,278) | (8,278) | (9,678) | (9,678) |
| Total Shareholders' Equity | 37,930 | 34,225 | 36,277 | 32,572 |
| Intangible Assets | 53 | 53 | 25 | 25 |
| NTA | 37,877 | 34,172 | 36,252 | 32,547 |
| Cash & Cash Equivalents | 16,945 | 13,240 | 8,596 | 4,891 |
| Current Assets | 56,698 | 52,993 | 34,536 | 30,831 |
| Current Liabilities | 27,839 | 27,839 | 21,999 | 21,999 |
| No. of Shares ('000) | 219,209 | 197,288 | 219,209 | 197,288 |
| Financial Ratios | | | | |
| NTA per Share (cts) | 17.28 | 17.32 | 16.54 | 16.50 |
| Debt Equity Ratio (times) | 0.235 | 0.260 | 0.234 | 0.261 |
| Working Capital Ratio (times) | 2.04 | 1.90 | 1.57 | 1.40 |
| Earnings/(Loss) per Share (cts) | 4.64 | 5.16 | 3.39 | 3.76 |

Note: Earnings/(Loss) per Share on existing issued share capital is computed based on the weighted average number of Shares in issue during the year.

Off-Market Share Purchases

| \$'000 | Group | | Company | |
|-----------------------------------|-----------------|----------------|-----------------|----------------|
| | Before Buy-back | After Buy-back | Before Buy-back | After Buy-back |
| Share Capital | 46,286 | 46,286 | 46,286 | 46,286 |
| Treasury Shares | (518) | (4,749) | (518) | (4,749) |
| Other Reserves | 440 | 440 | 187 | 187 |
| Accumulated Losses | (8,278) | (8,278) | (9,678) | (9,678) |
| Total Shareholders' Equity | 37,930 | 33,699 | 36,277 | 32,046 |
| Intangible Assets | 53 | 53 | 25 | 25 |
| NTA | 37,877 | 33,646 | 36,252 | 32,021 |
| Cash & Cash Equivalents | 16,945 | 12,714 | 8,596 | 4,365 |
| Current Assets | 56,698 | 52,467 | 34,536 | 30,305 |
| Current Liabilities | 27,839 | 27,839 | 21,999 | 21,999 |
| No. of Shares ('000) | 219,209 | 197,288 | 219,209 | 197,288 |
| Financial Ratios | | | | |
| NTA per Share (cts) | 17.28 | 17.05 | 16.54 | 16.23 |
| Debt Equity Ratio (times) | 0.235 | 0.264 | 0.234 | 0.265 |
| Working Capital Ratio (times) | 2.04 | 1.88 | 1.57 | 1.38 |
| Earnings/(Loss) per Share (cts) | 4.64 | 5.16 | 3.39 | 3.76 |

Note: Earnings/(Loss) per Share on existing issued share capital is computed based on the weighted average number of Shares in issue during the year.

LETTER TO SHAREHOLDERS

(ii) Purchases made entirely out of capital and cancelled

On-Market Share Purchases

| \$'000 | Group | | Company | |
|-----------------------------------|-----------------|----------------|-----------------|----------------|
| | Before Buy-back | After Buy-back | Before Buy-back | After Buy-back |
| Share Capital | 46,286 | 42,581 | 46,286 | 42,581 |
| Treasury Shares | (518) | (518) | (518) | (518) |
| Other Reserves | 440 | 440 | 187 | 187 |
| Accumulated Losses | (8,278) | (8,278) | (9,678) | (9,678) |
| Total Shareholders' Equity | 37,930 | 34,225 | 36,277 | 32,572 |
| Intangible Assets | 53 | 53 | 25 | 25 |
| NTA | 37,877 | 34,172 | 36,252 | 32,547 |
| Cash & Cash Equivalents | 16,945 | 13,240 | 8,596 | 4,891 |
| Current Assets | 56,698 | 52,993 | 34,536 | 30,831 |
| Current Liabilities | 27,839 | 27,839 | 21,999 | 21,999 |
| No. of Shares ('000) | 219,209 | 197,288 | 219,209 | 197,288 |
| Financial Ratios | | | | |
| NTA per Share (cts) | 17.28 | 17.32 | 16.54 | 16.50 |
| Debt Equity Ratio (times) | 0.235 | 0.260 | 0.234 | 0.261 |
| Working Capital Ratio (times) | 2.04 | 1.90 | 1.57 | 1.40 |
| Earnings/(Loss) per Share (cts) | 4.64 | 5.16 | 3.39 | 3.76 |

Note: Earnings/(Loss) per Share on existing issued share capital is computed based on the weighted average number of Shares in issue during the year.

Off-Market Share Purchases

| \$'000 | Group | | Company | |
|-----------------------------------|-----------------|----------------|-----------------|----------------|
| | Before Buy-back | After Buy-back | Before Buy-back | After Buy-back |
| Share Capital | 46,286 | 42,055 | 46,286 | 42,055 |
| Treasury Shares | (518) | (518) | (518) | (518) |
| Other Reserves | 440 | 440 | 187 | 187 |
| Accumulated Losses | (8,278) | (8,278) | (9,678) | (9,678) |
| Total Shareholders' Equity | 37,930 | 33,699 | 36,277 | 32,046 |
| Intangible Assets | 53 | 53 | 25 | 25 |
| NTA | 37,877 | 33,646 | 36,252 | 32,021 |
| Cash & Cash Equivalents | 16,945 | 12,714 | 8,596 | 4,365 |
| Current Assets | 56,698 | 52,467 | 34,536 | 30,305 |
| Current Liabilities | 27,839 | 27,839 | 21,999 | 21,999 |
| No. of Shares ('000) | 219,209 | 197,288 | 219,209 | 197,288 |
| Financial Ratios | | | | |
| NTA per Share (cts) | 17.28 | 17.05 | 16.54 | 16.23 |
| Debt Equity Ratio (times) | 0.235 | 0.264 | 0.234 | 0.265 |
| Working Capital Ratio (times) | 2.04 | 1.88 | 1.57 | 1.38 |
| Earnings/(Loss) per Share (cts) | 4.64 | 5.16 | 3.39 | 3.76 |

Note: Earnings/(Loss) per Share on existing issued share capital is computed based on the weighted average number of Shares in issue during the year.

LETTER TO SHAREHOLDERS

(iii) **Purchases made entirely out of profits and cancelled**

On-Market Share Purchases

| \$'000 | Group | | Company | |
|-----------------------------------|-----------------|----------------|-----------------|----------------|
| | Before Buy-back | After Buy-back | Before Buy-back | After Buy-back |
| Share Capital | 46,286 | 46,286 | 46,286 | 46,286 |
| Treasury Shares | (518) | (518) | (518) | (518) |
| Other Reserves | 440 | 440 | 187 | 187 |
| Accumulated Losses | (8,278) | (11,983) | (9,678) | (13,383) |
| Total Shareholders' Equity | 37,930 | 34,225 | 36,277 | 32,572 |
| Intangible Assets | 53 | 53 | 25 | 25 |
| NTA | 37,877 | 34,172 | 36,252 | 32,547 |
| Cash & Cash Equivalents | 16,945 | 13,240 | 8,596 | 4,891 |
| Current Assets | 56,698 | 52,993 | 34,536 | 30,831 |
| Current Liabilities | 27,839 | 27,839 | 21,999 | 21,999 |
| No. of Shares ('000) | 219,209 | 197,288 | 219,209 | 197,288 |
| Financial Ratios | | | | |
| NTA per Share (cts) | 17.28 | 17.32 | 16.54 | 16.50 |
| Debt Equity Ratio (times) | 0.235 | 0.260 | 0.234 | 0.261 |
| Working Capital Ratio (times) | 2.04 | 1.90 | 1.57 | 1.40 |
| Earnings/(Loss) per Share (cts) | 4.64 | 5.16 | 3.39 | 3.76 |

Note: Earnings/(Loss) per Share on existing issued share capital is computed based on the weighted average number of Shares in issue during the year.

Off-Market Share Purchases

| \$'000 | Group | | Company | |
|-----------------------------------|-----------------|----------------|-----------------|----------------|
| | Before Buy-back | After Buy-back | Before Buy-back | After Buy-back |
| Share Capital | 46,286 | 46,286 | 46,286 | 46,286 |
| Treasury Shares | (518) | (518) | (518) | (518) |
| Other Reserves | 440 | 440 | 187 | 187 |
| Accumulated Losses | (8,278) | (12,509) | (9,678) | (13,909) |
| Total Shareholders' Equity | 37,930 | 33,699 | 36,277 | 32,046 |
| Intangible Assets | 53 | 53 | 25 | 25 |
| NTA | 37,877 | 33,646 | 36,252 | 32,021 |
| Cash & Cash Equivalents | 16,945 | 12,714 | 8,596 | 4,365 |
| Current Assets | 56,698 | 52,467 | 34,536 | 30,305 |
| Current Liabilities | 27,839 | 27,839 | 21,999 | 21,999 |
| No. of Shares ('000) | 219,209 | 197,288 | 219,209 | 197,288 |
| Financial Ratios | | | | |
| NTA per Share (cts) | 17.28 | 17.05 | 16.54 | 16.23 |
| Debt Equity Ratio (times) | 0.235 | 0.264 | 0.234 | 0.265 |
| Working Capital Ratio (times) | 2.04 | 1.88 | 1.57 | 1.38 |
| Earnings/(Loss) per Share (cts) | 4.64 | 5.16 | 3.39 | 3.76 |

Note: Earnings/(Loss) per Share on existing issued share capital is computed based on the weighted average number of Shares in issue during the year.

The above *pro forma* financial effects are for illustrative purposes only. Although the Share Buy-Back Mandate would authorise the Company to purchase up to 10% of the issued Shares, the Company may not necessarily purchase or be able to purchase or acquire the entire 10% of the issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

LETTER TO SHAREHOLDERS

2.9 Taxation

Section 10J of the Income Tax Act, Chapter 134 of Singapore, stipulates that when a company purchases or acquires its own shares from a shareholder using funds other than contributed capital of the company, the payment by the company shall be deemed to be a dividend paid by the company to the shareholder. Accordingly, the Company will, in repurchasing its own Shares out of profits, be deemed to have paid a dividend to the Shareholders from whom the Shares are purchased.

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the Share Buy-Back Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

2.10 Interested Persons

The Company is prohibited from knowingly buying Shares on the SGX-ST from an interested person, that is, a director, the chief executive officer or a Controlling Shareholder of the Company, or any of their Associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

2.11 Reporting Requirements under the Companies Act

Within 30 days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

Within 30 days of a purchase of Shares on the SGX-ST or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including, *inter alia*, details of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company.

2.12 Applicable Rules of the Listing Manual

2.12.1 The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of the total number of issued Shares excluding treasury shares is at all times held by the public. The "public" is defined under "Definitions and Interpretation" of the Listing Manual as persons other than the Directors, chief executive officer, Substantial Shareholders and Controlling Shareholders of the Company or its subsidiary companies, as well as the Associates of such persons.

As at the Latest Practicable Date, approximately 37.84% of the shares are held in the hands of the public. For illustrative purposes only, assuming that the Company repurchased the maximum of 10% of its issued share capital as at the Latest Practicable Date from members of the public by way of an On-Market Share Purchase, the percentage of Shares held by the public would be approximately 30.93%.

Accordingly, the Company is of the view that there are a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake Share Purchases up to the full 10% limit pursuant to the Share Buy-Back Mandate without affecting the listing status of the Shares on the SGX-ST.

LETTER TO SHAREHOLDERS

The Directors will use their best efforts to ensure that the Company does not effect Share Purchases if the Share Purchases would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status and orderly trading of the Shares of the Company.

2.12.2 Under Rule 884 of the Listing Manual, a listed company may only purchase or acquire shares by way of a market acquisition at a price per share which is not more than 5% above the average closing market price. The term “average closing market price” is defined as the average of the closing market prices of shares over the last five (5) Market Days, on which transactions in the shares were recorded, before the day on which purchases are made, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) day period. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 2.4.4 of this Circular, conforms to this restriction.

Additionally, Rule 886 of the Listing Manual also specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of an On-Market Share Purchase, on the Market Day following the day of purchase of any of its shares; and
- (b) in the case of an Off-Market Share Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement shall include, *inter alia*, details of the total number of shares authorised for purchase, the date of purchase, the total number of shares purchased, the purchase price per share or, in the case of On-Market Share Purchases, the purchase price per share or the highest price and lowest price per share, the total consideration paid for the shares and the number of issued shares after purchase, in the form prescribed under Appendix 8.3.1 of the Listing Manual.

While the Listing Manual does not expressly prohibit any purchase by a listed company of its shares during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced.

Further, in conformity with Rule 1207(19) of the Listing Manual, the Company will observe the best practices on dealings in securities, such that the Company will not purchase or acquire any Shares during the period commencing two (2) weeks before the announcement of the Company’s financial statements for each of the first three (3) quarters of its FY and one (1) month before the announcement of its full year financial statements (if required to announce quarterly financial statements), or one (1) month before the announcement of its half year and full year financial statements (if not required to announce quarterly financial statements).

2.13 Details of the Shares Bought by the Company in the Previous 12 Months

No purchases of Shares have been made by the Company in the 12 months preceding the Latest Practicable Date.

LETTER TO SHAREHOLDERS

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

3.1 Directors' Interests in Shares

The interests of the Directors in Shares as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

| Director | Direct | | Deemed | | Total | |
|--------------------------------|---------------|------------------|---------------|------------------|---------------|------------------|
| | No. of Shares | % ⁽¹⁾ | No. of Shares | % ⁽¹⁾ | No. of Shares | % ⁽¹⁾ |
| Kwong Kim Mone ⁽²⁾ | 4,984,118 | 2.27 | 120,627,910 | 55.03 | 125,612,028 | 57.30 |
| Lim Chin Tong | 1,091,000 | 0.50 | - | - | 1,091,000 | 0.50 |
| Lee Yong Guan | 311,000 | 0.14 | - | - | 311,000 | 0.14 |
| Lim Yeok Hua | - | - | - | - | - | - |
| Pow Tien Tee ⁽³⁾ | - | - | 9,000 | 0.004 | 9,000 | 0.004 |
| Kam Boon Cheong ⁽⁴⁾ | - | - | 1,600,000 | 0.73 | 1,600,000 | 0.73 |

Notes:

- (1) The percentage shareholding interest is computed based on 219,208,870 Shares
- (2) Kwong Kim Mone is deemed to be interested in the 120,627,910 Shares held by MIT Technologies Pte Ltd by virtue of Section 7 of the Act.
- (3) Pow Tien Tee is deemed to be interested in the 9,000 Shares held by his wife, Mdm Wong Kai Yen.
- (4) Kam Boon Cheong is deemed to be interested in 1,600,000 Shares held by Phillip Securities Pte Ltd.

The interests of the Directors in outstanding Options to subscribe for Shares as at the Latest Practicable Date are as follows:

| Director | Number of Options |
|-----------------|-------------------|
| Kwong Kim Mone | 850,000 |
| Lim Chin Tong | 455,000 |
| Lee Yong Guan | 150,000 |
| Lim Yeok Hua | 150,000 |
| Pow Tien Tee | 150,000 |
| Kam Boon Cheong | 150,000 |

Save as disclosed above, none of the Directors has an interest in any Option as at the Latest Practicable Date.

3.2 Substantial Shareholder Interests in Shares

The interests of the Substantial Shareholders (who are not Directors) as at the Latest Practicable Date are set out below:

| Name | Direct | | Deemed | | Total | |
|-----------------------------|---------------|------------------|---------------|------------------|---------------|------------------|
| | No. of Shares | % ⁽¹⁾ | No. of Shares | % ⁽¹⁾ | No. of Shares | % ⁽¹⁾ |
| MIT Technologies Pte Ltd | 120,627,910 | 55.03 | - | - | 120,627,910 | 55.03 |
| Kwong Kim Ho ⁽²⁾ | - | - | 120,627,910 | 55.03 | 120,627,910 | 55.03 |

Notes:

- (1) The percentage shareholding interest is computed based on 219,208,870 Shares.
- (2) Kwong Kim Ho is deemed to be interested in the 120,627,910 Shares held by MIT Technologies Pte Ltd by virtue of Section 7 of the Act.

LETTER TO SHAREHOLDERS

4. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the proposed renewal of the Share Buy-Back Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the resolution relating to the proposed renewal of the Share Buy-Back Mandate to be proposed at the 2015 AGM.

5. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at Blk 5004 Ang Mo Kio Ave 5, #03-12 TECHplace II, Singapore 569872 during normal business hours from the date of this Circular up to the date of the 2015 AGM:

- (a) the audited consolidated accounts of the Company for FY2014; and
- (b) the Memorandum and Articles of Association of the Company.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy-Back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully
for and on behalf of the
Board of Directors of
Manufacturing Integration Technology Ltd

Kwong Kim Mone
Chairman and Managing Director