

APPENDIX DATED 11 APRIL 2019

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Appendix is circulated to the shareholders of Manufacturing Integration Technology Ltd. (the “**Company**”) together with the Company’s annual report for the financial year ended 31 December 2018 (the “**Annual Report**”). Its purpose is to provide shareholders of the Company with information relating to the proposed renewal of the Share Buy Back Mandate (as defined herein), the proposed adoption of the ESOS 2019 (as defined herein) and the proposed grant of options at a discount under the ESOS 2019 to be tabled at the Annual General Meeting of the Company to be held on Friday, 26 April 2019, at 9.30 a.m. at Sapphire III, Orchid Country Club, 1 Orchid Club Road, Singapore 769162.

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 the Company, you should immediately forward the Annual Report enclosing the Notice of Annual General Meeting and the Proxy Form and this Appendix to the purchaser or the transferee or to the stockbroker or the bank or the agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

The ordinary resolutions proposed to be passed in respect of the proposed renewal of the Share Buy Back Mandate, the proposed adoption of the ESOS 2019 and the proposed grant of options at a discount under the ESOS 2019 are set out respectively in the Notice of Annual General Meeting. The Notice of Annual General Meeting and the Proxy Form are enclosed with the Annual Report.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Appendix.

MANUFACTURING INTEGRATION TECHNOLOGY LTD.

(Company Registration Number 199200075N)

(Incorporated in the Republic of Singapore)

APPENDIX IN RELATION TO

- (I) THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE;**
- (II) THE PROPOSED ADOPTION OF THE MIT EMPLOYEE SHARE OPTION SCHEME 2019;
AND**
- (III) THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE MIT EMPLOYEE
SHARE OPTION SCHEME 2019**

CONTENTS

	PAGE
DEFINITIONS	3
LETTER TO SHAREHOLDERS	
1. INTRODUCTION	7
2. THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE	8
3. THE PROPOSED ADOPTION OF THE ESOS 2019	21
4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	33
5. DIRECTORS' RECOMMENDATIONS	33
6. ANNUAL GENERAL MEETING	34
7. ACTION TO BE TAKEN BY SHAREHOLDERS	34
8. DIRECTORS' RESPONSIBILITY STATEMENT	35
9. DOCUMENTS AVAILABLE FOR INSPECTION	35

DEFINITIONS

In this Appendix, the following definitions shall apply throughout unless the context otherwise requires:

“2018 AGM”	:	The annual general meeting of the Company held on 26 April 2018
“2019 AGM”	:	The annual general meeting of the Company to be held on Friday, 26 April 2019, at Sapphire III, Orchid Country Club, 1 Orchid Club Road, Singapore 769162 at 9.30 a.m.
“ACRA”	:	Accounting and Corporate Regulatory Authority of Singapore
“Annual Report”	:	The annual report of the Company for FY2018
“Appendix”	:	This Appendix dated 11 April 2019
“Associate”	:	(a) In relation to any Director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) In relation to a substantial shareholder or a Controlling Shareholder (being a company) means any 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 its shares are held by the Company or the Group and in which the Company exercises effective Control
“Auditors”	:	The auditors of the Company as appointed from time to time
“Board”	:	The board of Directors of the Company for the time being
“CDP”	:	The Central Depository (Pte) Limited
“Committee”	:	A committee comprising Directors duly authorised and appointed by the Board to administer the Scheme
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended, modified or supplemented from time to time
“Company”	:	Manufacturing Integration Technology Ltd.

“Constitution”	:	The constitution of the Company, as may be amended, modified or supplemented from time to time
“Control”	:	The capacity to dominate decision making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the total voting rights in the Company (the SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder); or (b) in fact exercises Control over the Company
“Date of Grant”	:	The date on which an Option is granted to a Grantee pursuant to the ESOS 2019
“Directors”	:	The directors of the Company for the time being
“Discounted Option”	:	The right to subscribe for Shares granted or to be granted pursuant to the ESOS 2019 and for the time being subsisting, and in respect of which the Exercise Price is at a discount to the Market Price
“Employee”	:	A confirmed full-time employee of a Group Company
“EPS”	:	Earnings per Share
“ESOS 2009”	:	The MIT Employees Share Option Scheme 2009 approved by the Shareholders at an extraordinary general meeting held on 28 April 2009 and which will expire on 15 November 2019
“ESOS 2019”	:	The proposed employee share option scheme to be known as the “MIT Employee Share Option Scheme 2019”, as the same may be amended or modified from time to time
“ESOS Resolutions”	:	Collectively, Resolution 10 relating to the proposed adoption of the ESOS 2019 and Resolution 11 relating to the proposed grant of Options at a discount under the ESOS 2019
“Executive Director”	:	A director (excluding an alternate director) of a Group Company, who holds office in an executive capacity or who performs an executive function
“Exercise Price”	:	The price at which a Grantee shall subscribe for each Share upon the exercise of an Option, as determined in accordance with the rules of the ESOS 2019
“FY2018”	:	The financial year ended 31 December 2018
“Grantee”	:	The person to whom an offer of an Option is made
“Group”	:	The Company, its subsidiaries and associated companies

“Group Company”	:	Any one company within the Group
“Latest Practicable Date”	:	1 April 2019, being the latest practicable date prior to the printing of this Appendix for ascertaining information included herein
“Listing Manual”	:	The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time
“Independent Director”	:	An independent director of the Company
“Independent Shareholders”	:	Shareholders other than those shareholders who are entitled to participate in the ESOS 2019
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Price”	:	The price which is equal to the average of the last dealt prices for a Share, as determined by reference to the daily official list or any other publication published by the SGX-ST for the three (3) consecutive Market Days immediately preceding the Date of Grant of that Option, provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for a Share on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
“Market Price Option”	:	The right to subscribe for Shares granted or to be granted pursuant to the ESOS 2019 and for the time being subsisting, and in respect of which the Exercise Price is higher or equal to the Market Price
“New Shares”	:	The new Shares which may be allotted and issued from time to time pursuant to the exercise of the Options granted under the ESOS 2019
“Non-Executive Director”	:	A director (excluding an alternate director) of the Company who is not an Executive Director and does not perform an executive function within the Group, including the Independent Directors
“Notice of AGM”	:	The notice of the 2019 AGM dated 11 April 2019 enclosed with the Annual Report
“NTA”	:	Net tangible assets
“Option”	:	A Market Price Option and/or a Discounted Option, as the case may be
“Relevant Period”	:	The period commencing from the date of the 2019 AGM on which the ordinary resolution relating to the proposed renewal of the Share Buy Back Mandate is passed and expiring on the date on which the next annual general meeting of the Company is held or required by law to be held, whichever is earlier
“Securities and Futures Act”	:	Securities and Futures Act, Chapter 289 of Singapore, as may be amended, modified or supplemented from time to time

“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“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
“Shareholders”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors whose securities accounts are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended, modified or supplemented from time to time
“treasury shares”	:	Issued Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances which Section 76H of the Companies Act applies and have since purchase been continuously held by the Company
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“%”	:	Per centum

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, or any statutory modification thereof, as the case may be.

The term “**subsidiary**” shall have the meaning ascribed to it under Section 5 of the Companies Act.

The term “**subsidiary holdings**” shall have the meaning ascribed to it in the Listing Manual.

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

Words importing persons shall, where applicable, include corporations.

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

Any reference to a time of day and to date in this Appendix shall be a reference to Singapore time and date respectively, unless otherwise stated.

Any discrepancies in figures included in this Appendix between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them. Where applicable, figures and percentages are rounded to the nearest two decimal places.

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

MANUFACTURING INTEGRATION TECHNOLOGY LTD.

(Company Registration Number 199200075N)

(Incorporated in the Republic of Singapore)

Board of Directors:

Kwong Kim Mone (*Non-Executive and Non-Independent Chairman*)

Lim Chin Tong (*Executive Director and Chief Executive Officer*)

Lee Yong Guan (*Lead Independent Director*)

Pow Tien Tee (*Independent Director*)

Kam Boon Cheong (*Independent Director*)

Lim Chin Hong (*Independent Director*)

Registered Office:

Block 5004 Ang Mo Kio Avenue 5

#05-01 TECHplace II

Singapore 569872

11 April 2019

To: The Shareholders of Manufacturing Integration Technology Ltd.

Dear Sir/Madam

- (I) **THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE;**
- (II) **THE PROPOSED ADOPTION OF THE MIT EMPLOYEE SHARE OPTION SCHEME 2019; AND**
- (III) **THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE MIT EMPLOYEE SHARE OPTION SCHEME 2019**

1. INTRODUCTION

1.1 Notice of AGM

The Company proposes to seek the approval of its Shareholders at the 2019 AGM to be held on Friday, 26 April 2019, at Sapphire III, Orchid Country Club, 1 Orchid Club Road, Singapore 769162 at 9.30 a.m. for the following proposals:

- (a) the proposed renewal of the Share Buy Back Mandate;
- (b) the proposed adoption of the ESOS 2019; and
- (c) the proposed grant of Options at a discount under the ESOS 2019,

(collectively, the "**Proposals**").

The Company refers to the Notice of AGM accompanying the Annual Report for FY2018 and the following ordinary resolutions under the heading "Special Business" set out in the Notice of AGM:

- (a) Resolution 9 relating to the proposed renewal of the Share Buy Back Mandate;
- (b) Resolution 10 relating to the proposed adoption of the ESOS 2019; and
- (c) Resolution 11 relating to the proposed grant of Options at a discount under the ESOS 2019.

Shareholders should note that the proposed grant of Options at a discount under the ESOS 2019 is conditional upon the passing of the ordinary resolution relating to the proposed adoption of the ESOS 2019. In the event that the ordinary resolution relating to the proposed adoption of the ESOS 2019 is not passed, the ordinary resolution relating to the proposed grant of Options at a discount under the ESOS 2019 will also not be passed.

1.2 Purpose of this Appendix

The purpose of this Appendix is to provide Shareholders with the relevant information pertaining to the Proposals to be tabled at the 2019 AGM and to seek Shareholders' approval in relation thereto at the 2019 AGM. The Notice of AGM is enclosed with the Annual Report.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Appendix.

If any Shareholder is in doubt as to the action he should take, he should consult his bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

1.3 Listing of New Shares

The SGX-ST had, on 29 March 2019, granted in-principle approval for the listing of and quotation for the New Shares to be allotted and issued in connection with the ESOS 2019, subject to Independent Shareholders' approval being obtained for the adoption of the ESOS 2019, and the Company's compliance with the SGX-ST's listing requirements and guidelines.

Such in-principle approval, and the admission to, and quotation of the New Shares on the Official List of the SGX-ST is not to be taken as an indication of the merits of the ESOS 2019, the New Shares, the Company and/or its subsidiaries.

2. THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

2.1 Background

At the 2018 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 appendix to Shareholders dated 11 April 2018.

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 2018 AGM and will expire on the date of the 2019 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 2019 AGM). Accordingly, the Directors propose that the Share Buy Back Mandate be renewed at the 2019 AGM.

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 Companies 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 2019 AGM for the proposed renewal of the Share Buy Back Mandate, i.e. a general and unconditional mandate to be given by the Shareholders for the purchase or acquisition by the Company of its issued Shares.

If approved by Shareholders at the 2019 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 share buy backs provide 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.

The buy back of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the EPS of the Company, and will only be made when the Directors believe that such buy backs would benefit the Company and its Shareholders.

Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy Back Mandate will only be made when the Directors believe that such purchases or acquisitions of Shares would be made in circumstances which would not have 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 or acquisitions 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 total number of issued Shares of the Company (ascertained as at the date of the 2019 AGM at which the proposed renewal of the Share Buy Back Mandate is approved), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies 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 subsidiary holdings and Shares which are held as treasury shares will be disregarded.

For illustrative purposes only, on the basis of 239,170,970 issued Shares as at the Latest Practicable Date, and assuming that between the Latest Practicable Date and the date of the 2019 AGM (i) no new Shares are issued and (ii) no Shares are repurchased by the Company and cancelled or held as treasury shares, not more than 23,917,097 Shares (representing 10% of the total number of issued Shares of the Company as at that date and there being no subsidiary holdings and no treasury shares) may be purchased or acquired by the Company pursuant to the Share Buy Back Mandate.

2.4.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, by the Company on and from the date of the 2019 AGM at which the proposed renewal of the Share Buy Back Mandate is approved, up to:

- (a) the date on which the next annual general meeting of the Company is held or 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 by the Share Buy Back Mandate is varied or revoked by the Shareholders in general meeting,

whichever is the earliest.

2.4.3 Manner of Purchase or Acquisition of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases (the “**Market Purchases**”), transacted on the SGX-ST through the SGX-ST’s ready market trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases (the “**Off-Market Purchases**”) (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 Companies 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 Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). An equal access scheme 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, where applicable:
 - (i) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
 - (ii) 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.

In addition, the Listing Manual provides that, in making an Off-Market 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 purchase or acquisition of Shares;
- (d) the consequences, if any, of the purchase or acquisition of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any purchases or acquisitions of Shares made by the Company in the previous twelve (12) months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions of Shares; and
- (g) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.

2.4.4 Maximum Purchase Price

The purchase price per Share (excluding brokerage, commission, 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 a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined hereinafter),

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase or acquisition of Shares.

For the above purposes of determining the Maximum Price:

“**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 immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted 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 an Off-Market Purchase, stating therein 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 Purchase.

2.5 **Status of Shares Purchased or Acquired 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 Companies 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 issued 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 Companies Act) will be automatically delisted by the SGX-ST, and (where applicable) 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 Companies 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 Companies 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 Companies 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. The treasury shares may be sub-divided or consolidated, so long as the total value of the treasury shares after such sub-division or consolidation is the same as the total value of the treasury shares before the sub-division or consolidation, as the case may be.

(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, any share scheme, whether for its employees, directors or other persons;
- (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.

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 treasury 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

In buying back Shares, the Company may only apply funds legally available for such purchase or acquisition in accordance with its Constitution and the applicable laws in Singapore. 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. The buy back of Shares by the Company may be made out of the Company's profits or capital so long as the Company is solvent.

Pursuant to Section 76F(4) of the Companies Act, the Company is solvent if (a) there is no ground on which the Company could be found to be unable to pay its debts; (b) the Company will be able to pay its debts as they fall due during the period of twelve (12) months immediately after the date of

payment; and (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after any purchase of Shares become less than the value of its liabilities (including contingent liabilities).

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 (including brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses incurred directly by the Company in its purchase or acquisition of Shares) (the "**Purchase Price**");
- (b) if the Shares are purchased or acquired entirely out of the profits of the Company, the Company shall reduce the amount of its profits by the total amount of the Purchase Price; or
- (c) if 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 purchases or acquisitions of its Shares 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.

2.7 Take-over Implications under the Take-over Code

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 purchase or acquisition by the Company of its Shares are set out below.

2.7.1 Obligation to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its Shares, 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 of Shares for the purpose of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director 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 that 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, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the foregoing 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 whose investment 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 persons controlling, controlled by or under the same control as the adviser;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of the associated company status.

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 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 its Shares, the voting rights of such Directors and persons acting in concert with them would increase to 30% or more, or in the event that such Directors and persons acting in concert with them hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and persons acting in concert with them would increase by more than 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 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 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 persons acting in concert with them will become obliged to make a mandatory take-over offer by reason only of the buy back of a maximum of 23,917,097 Shares by the Company pursuant to the Share Buy Back Mandate.

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, persons 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 or acquisition 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 Group and the Company for FY2018 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 its total number of issued Shares, the Company may not necessarily buy back or be able to buy back 10% of its total number of issued Shares in full.

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 of Shares 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 or acquisitions of Shares, whether the purchase or acquisition of Shares is made out of profits or capital, and whether the Shares purchased are cancelled or held as treasury shares.

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 or to the financial position of the Company or the Group. 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 Share Buy Back Mandate will be exercised with a view to enhance the EPS and/or NTA value per Share of the Company. The financial effects presented in this section of this Appendix 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 239,170,970 issued Shares.

As at the Latest Practicable Date, none of the issued Shares are held by the Company as treasury shares and there are no subsidiary holdings.

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

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, such consideration 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 purchase or acquisition of Shares is made out of retained profits, such consideration will correspondingly reduce the amount available for distribution in the form of cash dividends by the Company.

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

Where the purchase or acquisition of Shares 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 the purchase or acquisition of Shares 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 of Shares 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 of Shares is funded. It is therefore not possible to realistically calculate or quantify the impact at this point of time.

(d) *Number of Shares Acquired or Purchased*

Based on the total number of issued Shares of 239,170,970 Shares and there being no subsidiary holdings as at the Latest Practicable Date and assuming (i) no new Shares are issued and (ii) no Shares are repurchased by the Company and cancelled or held as treasury shares, the purchase or acquisition by the Company of up to the maximum limit of 10% of its total number of issued Shares will entail a purchase or acquisition of 23,917,097 Shares.

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

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 23,917,097 Shares (representing 10% of its total number of issued Shares as at the Latest Practicable Date) at the Maximum Price of S\$0.381 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 approximately S\$9,112,414, excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 23,917,097 Shares (representing 10% of its total number of issued Shares as at the Latest Practicable Date) at the Maximum Price of S\$0.436 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 approximately S\$10,427,854, excluding brokerage, commission, stamp duties, 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 purchase or acquisition of 23,917,097 Shares by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buy Back Mandate by way of purchases made entirely out of capital and held as treasury shares;
- (ii) the purchase or acquisition of 23,917,097 Shares by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buy Back Mandate by way of purchases made entirely out of capital and cancelled; and
- (iii) the purchase or acquisition of 23,917,097 Shares by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buy Back Mandate by way of purchases made entirely out of profits and cancelled,

on the audited financial statements of the Group and the Company for FY2018, are set out below:

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

Market Purchases

	Group		Company	
	Before Buy-back	After Buy-back	Before Buy-back	After Buy-back
S\$'000				
Share Capital	47,742	47,742	47,742	47,742
Treasury Shares	-	(9,112)	-	(9,112)
Other Reserves	91	91	233	233
Accumulated Losses	(3,826)	(3,826)	(3,242)	(3,242)
Total Shareholders' Equity	44,007	34,895	44,733	35,621
NTA	44,007	34,895	44,733	35,621
Cash & Cash Equivalents	19,554	10,442	9,088	(24)
Current Assets	56,197	47,085	15,349	6,237
Current Liabilities	21,755	21,755	9,762	9,762
Number of Shares ('000)	239,171	215,254	239,171	215,254
Financial Ratios				
NTA per Share (cents)	18.40	16.21	18.70	16.55
Debt Equity Ratio (times)	0.16	0.20	0.16	0.20
Working Capital Ratio (times)	2.58	2.16	1.57	0.64
Loss per Share (cents)	(2.57)	(2.86)	(2.00)	(2.22)

Off-Market Purchases

	Group		Company	
	Before Buy-back	After Buy-back	Before Buy-back	After Buy-back
S\$'000				
Share Capital	47,742	47,742	47,742	47,742
Treasury Shares	-	(10,428)	-	(10,428)
Other Reserves	91	91	233	233
Accumulated Losses	(3,826)	(3,826)	(3,242)	(3,242)
Total Shareholders' Equity	44,007	33,579	44,733	34,305
NTA	44,007	33,579	44,733	34,305
Cash & Cash Equivalents	19,554	9,126	9,088	(1,340)
Current Assets	56,197	45,769	15,349	4,921
Current Liabilities	21,755	21,755	9,762	9,762
Number of Shares ('000)	239,171	215,254	239,171	215,254
Financial Ratios				
NTA per Share (cents)	18.40	15.60	18.70	15.94
Debt Equity Ratio (times)	0.16	0.21	0.16	0.20
Working Capital Ratio (times)	2.58	2.10	1.57	0.50
Loss per Share (cents)	(2.57)	(2.86)	(2.00)	(2.22)

(ii) **Purchases made entirely out of capital and cancelled**

Market Purchases

	Group		Company	
	Before Buy-back	After Buy-back	Before Buy-back	After Buy-back
S\$'000				
Share Capital	47,742	38,630	47,742	38,630
Treasury Shares	-	-	-	-
Other Reserves	91	91	233	233
Accumulated Losses	(3,826)	(3,826)	(3,242)	(3,242)
Total Shareholders' Equity	44,007	34,895	44,733	35,621
NTA	44,007	34,895	44,733	35,621
Cash & Cash Equivalents	19,554	10,442	9,088	(24)
Current Assets	56,197	47,085	15,349	6,237
Current Liabilities	21,755	21,755	9,762	9,762
Number of Shares ('000)	239,171	215,254	239,171	215,254
Financial Ratios				
NTA per Share (cents)	18.40	16.21	18.70	16.55
Debt Equity Ratio (times)	0.16	0.20	0.16	0.20
Working Capital Ratio (times)	2.58	2.16	1.57	0.64
Loss per Share (cents)	(2.57)	(2.86)	(2.00)	(2.22)

Off-Market Purchases

	Group		Company	
	Before Buy-back	After Buy-back	Before Buy-back	After Buy-back
S\$'000				
Share Capital	47,742	37,314	47,742	37,314
Treasury Shares	-	-	-	-
Other Reserves	91	91	233	233
Accumulated Losses	(3,826)	(3,826)	(3,242)	(3,242)
Total Shareholders' Equity	44,007	33,579	44,733	34,305
NTA	44,007	33,579	44,733	34,305
Cash & Cash Equivalents	19,554	9,126	9,088	(1,340)
Current Assets	56,197	45,769	15,349	4,921
Current Liabilities	21,755	21,755	9,762	9,762
Number of Shares ('000)	239,171	215,254	239,171	215,254
Financial Ratios				
NTA per Share (cents)	18.40	15.60	18.70	15.94
Debt Equity Ratio (times)	0.16	0.21	0.16	0.20
Working Capital Ratio (times)	2.58	2.10	1.57	0.50
Loss per Share (cents)	(2.57)	(2.86)	(2.00)	(2.22)

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

	Group		Company	
	Before Buy-back	After Buy-back	Before Buy-back	After Buy-back
S\$'000				
Share Capital	47,742	47,742	47,742	47,742
Treasury Shares	-	-	-	-
Other Reserves	91	91	233	233
Accumulated Losses	(3,826)	(12,938)	(3,242)	(12,354)
Total Shareholders' Equity	44,007	34,895	44,733	35,621
NTA	44,007	34,895	44,733	35,621
Cash & Cash Equivalents	19,554	10,442	9,088	(24)
Current Assets	56,197	47,085	15,349	6,237
Current Liabilities	21,755	21,755	9,762	9,762
Number of Shares ('000)	239,171	215,254	239,171	215,254
Financial Ratios				
NTA per Share (cents)	18.40	16.21	18.70	16.55
Debt Equity Ratio (times)	0.16	0.20	0.16	0.20
Working Capital Ratio (times)	2.58	2.16	1.57	0.64
Loss per Share (cents)	(2.57)	(2.86)	(2.00)	(2.22)

Off-Market Purchases

	Group		Company	
	Before Buy-back	After Buy-back	Before Buy-back	After Buy-back
S\$'000				
Share Capital	47,742	47,742	47,742	47,742
Treasury Shares	-	-	-	-
Other Reserves	91	91	233	233
Accumulated Losses	(3,826)	(14,254)	(3,242)	(13,670)
Total Shareholders' Equity	44,007	33,579	44,733	34,305
NTA	44,007	33,579	44,733	34,305
Cash & Cash Equivalents	19,554	9,126	9,088	(1,340)
Current Assets	56,197	45,769	15,349	4,921
Current Liabilities	21,755	21,755	9,762	9,762
Number of Shares ('000)	239,171	215,254	239,171	215,254
Financial Ratios				
NTA per Share (cents)	18.40	15.60	18.70	15.94
Debt Equity Ratio (times)	0.16	0.21	0.16	0.20
Working Capital Ratio (times)	2.58	2.10	1.57	0.50
Loss per Share (cents)	(2.57)	(2.86)	(2.00)	(2.22)

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 its total number of issued Shares, the Company may not necessarily purchase or be able to purchase or acquire the entire 10% of its total number of issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased as treasury shares.

2.9 Taxation

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 the Shareholders' resolution to approve the proposed renewal of the Share Buy Back Mandate, 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 details such as the date of the purchase, the number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for, and whether the Shares were purchased out of the profits or the capital of the Company.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Company shall lodge with ACRA, in the prescribed form, the notice of cancellation or disposal of treasury shares.

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, preference shares and convertible equity securities is at all times held by the public. The term "public" is defined under "Definitions and Interpretation" of the Listing Manual as persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the issuer or its subsidiary companies, as well as the associates of such persons.

As at the Latest Practicable Date, approximately 42.22% 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 total number of issued Shares as at the Latest Practicable Date from members of the public by way of a Market Purchase, the percentage of Shares held by the public would be approximately 35.80%.

In undertaking any purchases or acquisitions of Shares pursuant to the Share Buy Back Mandate, the Directors will use their best efforts to ensure that, notwithstanding such purchases or acquisitions of Shares, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

- 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 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 a market purchase, on the Market Day following the day on which the market purchase was made; and
- (b) in the case of an off-market purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement shall include details such as the maximum 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 Market 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 one (1) month before the announcement of its half year and full year financial statements.

2.13 Shares purchased in the previous twelve (12) months

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

3. THE PROPOSED ADOPTION OF THE ESOS 2019

3.1 Introduction

The Board is proposing to implement a new employee share option scheme to be named the MIT Employee Share Option Scheme 2019 (the “**ESOS 2019**”). The proposed ESOS 2019 is to replace the ESOS 2009 which will expire on 15 November 2019. The ESOS 2019, if and should Independent Shareholders’ approval be obtained at the 2019 AGM for the proposed adoption of the ESOS 2019, will take effect immediately on the date of the 2019 AGM. That being the case, the Company will have two employees share option scheme until the ESOS 2009 expires on 15 November 2019.

Pending the 2019 AGM, the Company will not grant any further options under the ESOS 2009 and following Independent Shareholders’ approval for the adoption of the ESOS 2019, the Company will cease to grant any options under the ESOS 2009. The replacement of the ESOS 2009 with the ESOS 2019 does not affect any options which have been granted under the ESOS 2009 and such options remain exercisable by the holders thereof subject to the terms and conditions of the ESOS 2009.

3.2 ESOS 2009

The ESOS 2009 was adopted at an extraordinary general meeting of the Company held on 28 April 2009. The duration of the ESOS 2009 was 10 years commencing on 16 November 2009. The ESOS 2009 will accordingly expire and lapse on 15 November 2019. The expiry of the ESOS 2009 does not affect any options which have been granted thereunder, regardless of whether such options have been exercised (whether fully or partially).

Details of the options granted under the ESOS 2009 to the directors and employees of the Group, since the commencement of the ESOS 2009 up to the Latest Practicable Date, are as follows:

Date of grant	Number of grantees⁽¹⁾	Aggregate number of Shares pursuant to which options were granted under the ESOS 2009⁽²⁾	Aggregate number of Shares allotted and issued upon the exercise of the options granted under the ESOS 2009
15/6/2010	1	75,000	75,000
15/6/2010	1	75,000	75,000
14/5/2012	48	2,645,000	2,213,000
14/5/2012	48	2,645,000	2,210,000
09/6/2014	63	4,140,000	3,491,000
09/6/2014	63	4,140,000	3,440,000
11/8/2014	4	300,000	250,000
11/8/2014	4	300,000	225,000
15/12/2014	1	50,000	50,000
15/12/2014	1	50,000	50,000
20/5/2016	62	4,795,000	4,005,100
20/5/2016	62	4,795,000	3,797,000
05/6/2017	4	300,000	100,000
05/6/2017	4	300,000	-
Total		24,610,000	19,981,100

Notes:

- (1) Such grantees being directors and employees of the Group as at the date of the options granted pursuant to the ESOS 2009.
- (2) Including options granted pursuant to the ESOS 2009 which remain outstanding and unexercised as at the Latest Practicable Date.

Since the commencement of the ESOS 2009 up to the Latest Practicable Date, an aggregate of 19,981,100 Shares, representing approximately 8.35% of the total number of issued Shares as at the Latest Practicable Date, were allotted and issued pursuant to the exercise of the options granted under the ESOS 2009.

As at the Latest Practicable Date, there were outstanding and unexercised options granted to grantees under the ESOS 2009 to subscribe for up to 1,400,500 Shares, representing approximately 0.59% of the total number of issued Shares as at the Latest Practicable Date.

Details of the options granted under the ESOS 2009 which were outstanding and unexercised as at the Latest Practicable Date are as follows:

Date of grant	Exercise period	Exercise price (S\$)	Number of Shares comprised in unexercised options granted under the ESOS 2009	Number of grantees
20/5/2016	20/5/2017-19/5/2026	0.194	362,500	12
20/5/2016	20/5/2018-19/5/2026	0.155	538,000	12
05/6/2017	05/6/2018-5/6/2022	0.245	200,000	4
05/6/2017	05/6/2019-5/6/2022	0.196	300,000	4
Total			1,400,500	32

Details of the options granted under the ESOS 2009 to Directors since the commencement of the ESOS 2009 up to the Latest Practicable Date, are as follows:

Date of grant	Name of grantees	Exercise period	Exercise price (\$)	Aggregate number of Shares pursuant to which options were granted under the ESOS 2009 ⁽¹⁾	Aggregate number of Shares allotted and issued upon the exercise of the options granted under the ESOS 2009	Aggregate number of Shares comprised in unexercised options granted under the ESOS 2009
14/5/2012	Kwong Kim Mone	14/5/2013-13/5/2022	0.10	300,000	300,000	-
14/5/2012	Lim Chin Tong	14/5/2013-13/5/2022	0.10	125,000	125,000	-
14/5/2012	Kwong Kim Mone	14/5/2014-13/5/2022	0.08	300,000	300,000	-
14/5/2012	Lim Chin Tong	14/5/2014-13/5/2022	0.08	125,000	125,000	-
09/6/2014	Kwong Kim Mone	09/6/2015-08/6/2024	0.065	300,000	300,000	-
09/6/2014	Lim Chin Tong	09/6/2015-08/6/2024	0.065	175,000	175,000	-
09/6/2014	Kwong Kim Mone	09/6/2016-08/6/2024	0.052	300,000	300,000	-
09/6/2014	Lim Chin Tong	09/6/2016-08/6/2024	0.052	175,000	175,000	-
11/8/2014	Lee Yong Guan	11/8/2015-10/8/2019	0.065	75,000	75,000	-
11/8/2014	Pow Tien Tee	11/8/2015-10/8/2019	0.065	75,000	75,000	-
11/8/2014	Kam Boon Cheong	11/8/2015-10/8/2019	0.065	75,000	75,000	-
11/8/2014	Lee Yong Guan	11/8/2016-10/8/2019	0.052	75,000	75,000	-
11/8/2014	Pow Tien Tee	11/8/2016-10/8/2019	0.052	75,000	75,000	-
11/8/2014	Kam Boon Cheong	11/8/2016-10/8/2019	0.052	75,000	75,000	-
20/5/2016	Kwong Kim Mone	20/5/2017-19/5/2026	0.194	450,000	450,000	-
20/5/2016	Lim Chin Tong	20/5/2017-19/5/2026	0.194	175,000	116,500	58,500
20/5/2016	Kwong Kim Mone	20/5/2018-19/5/2026	0.155	450,000	450,000	-
20/5/2016	Lim Chin Tong	20/5/2018-19/5/2026	0.155	175,000	87,500	87,500
05/6/2017	Lee Yong Guan	05/6/2018-04/6/2022	0.245	75,000	25,000	50,000
05/6/2017	Pow Tien Tee	05/6/2018-04/6/2022	0.245	75,000	25,000	50,000
05/6/2017	Kam Boon Cheong	05/6/2018-04/6/2022	0.245	75,000	25,000	50,000
05/6/2017	Lim Chin Hong	05/6/2018-04/6/2022	0.245	75,000	25,000	50,000
05/6/2017	Lee Yong Guan	05/6/2019-04/6/2022	0.196	75,000	-	75,000
05/6/2017	Pow Tien Tee	05/6/2019-04/6/2022	0.196	75,000	-	75,000
05/6/2017	Kam Boon Cheong	05/6/2019-04/6/2022	0.196	75,000	-	75,000
05/6/2017	Lim Chin Hong	05/6/2019-04/6/2022	0.196	75,000	-	75,000
Total				4,100,000	3,454,000	646,000

Note:

- (1) Including options granted pursuant to the ESOS 2009 which remain outstanding and unexercised as at the Latest Practicable Date.

As at the Latest Practicable Date, an aggregate of 3,454,000 Shares, representing approximately 1.44% of the total number of issued Shares as at the Latest Practicable Date, were allotted and issued to the Directors pursuant to their exercise of the options granted under the ESOS 2009. Assuming all the outstanding options are exercised by the Directors, an aggregate of 4,100,000 Shares, including those Shares already allotted and issued to the Directors, representing approximately 1.71% of the total number of issued Shares as at the Latest Practicable Date, would be allotted and issued to the Directors.

Details of the options granted under the ESOS 2009 to Directors and grantees who are Controlling Shareholders and their Associates, since the commencement of the ESOS 2009 up to the Latest Practicable Date, are as follows:

Date of grant	Name of grantee	Exercise period	Exercise price (\$)	Aggregate number of Shares pursuant to which options were granted under the ESOS 2009	Aggregate number of Shares allotted and issued upon the exercise of the options granted under the ESOS 2009	Aggregate number of Shares comprised in unexercised options granted under the ESOS 2009
14/5/2012	Kwong Kim Mone	14/5/2013-13/5/2022	0.10	300,000	300,000	-
14/5/2012	Kwong Kim Mone	14/5/2014-13/5/2022	0.08	300,000	300,000	-
09/6/2014	Kwong Kim Mone	09/6/2015-08/6/2024	0.065	300,000	300,000	-
09/6/2014	Kwong Kim Mone	09/6/2016-08/6/2024	0.052	300,000	300,000	-
20/5/2016	Kwong Kim Mone	20/5/2017-19/5/2026	0.194	450,000	450,000	-
20/5/2016	Kwong Kim Mone	20/5/2018-19/5/2026	0.155	450,000	450,000	-
Total				2,100,000	2,100,000	-

As at the Latest Practicable Date, an aggregate of 2,100,000 Shares, representing approximately 0.88% of the total number of issued Shares as at the Latest Practicable Date, were allotted and issued to Kwong Kim Mone, a Director and Controlling Shareholder of the Company pursuant to his exercise of the options granted under the ESOS 2009. As at the Latest Practicable Date, Kwong Kim Mone had exercised all the options granted to him under the ESOS 2009.

There are no material conditions to which the options granted under the ESOS 2009 are subject to.

3.3 The proposed ESOS 2019

The following is a summary of the principal terms of the ESOS 2019 and is qualified in its entirety by reference to the more detailed information in the rules of the ESOS 2019, a copy of which is available for inspection at the registered office of the Company from the date of this Appendix up to and including the date of the 2019 AGM.

3.3.1 Eligibility

Subject to the absolute discretion of the Committee, confirmed full-time Employees, Executive Directors and Non-Executive Directors (including Independent Directors) who have attained the age of twenty-one on or before the Date of Grant and are not undischarged bankrupts and have not entered into a composition with his creditors will be eligible to participate in the ESOS 2019.

The Executive Directors and the Employees of the associated companies (other than non-executive directors of such associated companies) will be eligible to participate in the ESOS 2019.

Employees, Executive Directors and Non-Executive Directors (including Independent Directors) who are Controlling Shareholders or their Associates are not eligible to participate in the ESOS 2019.

3.3.2 Entitlement of Grantees to Options

An Option represents the right of a Grantee to subscribe for and/or acquire Shares which are the subject of the Option, in consideration for the Exercise Price to be paid upon its exercise.

The number of Shares comprised in Option(s) offered to a Grantee shall be determined at the absolute discretion of the Committee who shall take into account, where applicable, criteria such as rank, past performance, years of service and potential contribution of the Grantees.

Options are personal to the Grantee to whom they are 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 without the Committee's prior approval, but may be exercised by the Grantee's duly appointed personal representative in the event of the death of such Grantee.

3.3.3 Size of the ESOS 2019

In compliance with the Listing Manual, the aggregate number of Shares over which Options may be granted on any date under the ESOS 2019, when added to the number of New Shares issued or issuable and/or existing Shares transferred or transferable in respect of (a) all options granted under the ESOS 2019; and (b) all options or awards granted under any other share-based incentive schemes of the Company for the time being in force, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the date immediately preceding the relevant Date of Grant.

For illustrative purposes, based on the total number of issued Shares of 239,170,970 Shares as at the Latest Practicable Date, the maximum number of Shares which may be issued and/or delivered by the Company in connection with the ESOS 2019 and such other share-based incentive schemes of the Company collectively is 35,875,645 Shares.

3.3.4 Date of Grant

The Committee may offer to grant Option(s) in its absolute discretion at any time during the period when the ESOS 2019 is in force, provided that no Options shall be granted during any of the following periods:

- (a) the period commencing 30 days immediately preceding the date of announcement of the Company's annual financial results and expiring on the date of announcement of such results;
- (b) the period commencing 15 days immediately preceding the date of announcement of the Company's half-yearly financial results and expiring on the date of announcement of such results; or
- (c) any other period specified by the Board,

or 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 2nd Market Day from the date on which the aforesaid announcement is released.

3.3.5 Acceptance of Offer

The grant of an Option must be accepted not later than 5.00 p.m. on the thirtieth (30th) day from such Date of Grant. The Grantee must complete, sign and return to the Company the acceptance form accompanied by payment of S\$1.00 as consideration or such other amount and such other documentation as the Committee may require. Offers of Options made to Grantees will lapse if they are not accepted before the closing date.

3.3.6 Exercise Price of Options

Subject to adjustments under the rules of the ESOS 2019, the Exercise Price for the Shares in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and fixed by the Committee at:

- (a) a price equal to or higher than the Market Price; and/or
- (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20% of the Market Price and approved by the Shareholders at a general meeting in a separate resolution.

In determining whether to give a discount and the quantum of such discount in respect of the Exercise Price, the Committee may take into account factors such as the performance of the Company and/or the Group, years of service and individual performance of the Grantee, his contribution to the success and development of the Group, and prevailing market and economic conditions.

3.3.7 Adjustment Events

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

- (a) the Exercise Price in respect of the Shares, the class and/or number of Shares comprised in the Options to the extent unexercised; and/or
- (b) the class and/or number of Shares in respect of which additional Options may be granted under the ESOS 2019,

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

Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or upon the exercise of any warrants or the conversion of any convertible securities, or the cancellation of issued Shares purchased or acquired by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share buy back mandate granted by Shareholders (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

Upon any adjustment required to be made, the Company shall notify each Grantee (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised. Any adjustment shall take effect upon such written notification being given.

Any determination by the Committee as to whether to make any adjustment and if so, the manner in which such adjustment should be made, must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable, save that where such adjustment is in relation to a capitalisation issue, no such confirmation shall be required.

3.3.8 Exercise Period

The period for the exercise of an Option shall be as follows:

- (a) in the case of a Market Price Option which is:
 - (i) granted to an Executive Director or an Employee, a period commencing after the 1st anniversary of the Date of Grant and expiring on the 10th anniversary of such Date of Grant; and
 - (ii) granted to a Non-Executive Director, a period commencing after the 1st anniversary of the Date of Grant and expiring on the 5th anniversary of such Date of Grant; and
- (b) in the case of a Discounted Option which is:
 - (i) granted to an Executive Director or an Employee, a period commencing after the 2nd anniversary of the Date of Grant and expiring on the 10th anniversary of such Date of Grant; and
 - (ii) granted to a Non-Executive Director, a period commencing after the 2nd anniversary of the Date of Grant and expiring on the 5th anniversary of such Date of Grant.

Special provisions relating to the lapsing or earlier exercise of Options apply in certain circumstances, including the following:

- (a) the termination of the employment of a Grantee;
- (b) the misconduct of a Grantee;
- (c) the bankruptcy of a Grantee;
- (d) ill health, injury or disability of a Grantee;
- (e) bona fide redundancy of a Grantee;
- (f) retirement at or after the legal retirement age of a Grantee; and
- (g) a take-over, winding-up (not on basis of insolvency) or reconstruction of the Company.

Upon the occurrence of any of the events specified in sub-paragraphs (a) to (c) above, an Option then held by a Grantee shall, subject as provided in the ESOS 2019 and to the extent unexercised, immediately lapse without any claim whatsoever against the Company and/or the Group.

Upon the occurrence of any of the events specified in sub-paragraphs (d) to (g) above, an Option then held by a Grantee may be exercised within certain fixed periods specified in the rules of the ESOS 2019, and upon the expiry of such period, the Option shall lapse.

3.3.9 Operation of the ESOS 2019

Subject to prevailing legislation and the rules of the Listing Manual, the Company, in its sole and absolute discretion, will deliver Shares to Grantees in relation to an exercise of an Option, by way of:

- (a) an allotment and issue of New Shares; and/or
- (b) a transfer of existing Shares, including any treasury shares held by the Company (if any).

In determining whether to allot and issue New Shares or to deliver existing Shares to the Grantees upon the exercise of the Options, 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 and the cost to the Company of either issuing New Shares or purchasing existing Shares.

New Shares allotted and issued or existing Shares transferred on exercise of an Option shall be subject to the provisions of the Companies Act and the Constitution of the Company, and shall rank equally in all respects with the then existing issued Shares except for any dividends, rights, allotments or other distributions, the record date for which is prior to the date that such Shares are issued or transferred (as the case may be) to the Grantee.

Subject to any applicable restriction imposed by the Committee, no restrictions shall apply to any Shares allotted and issued or transferred to a Grantee upon his exercise of the Option.

3.3.10 Duration of the ESOS 2019

The ESOS 2019 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 ESOS 2019 is adopted by Shareholders in general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the ESOS 2019 may be continued beyond the stipulated period with the approval of Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

The ESOS 2019 may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the ESOS 2019 is so terminated, no further Options shall be offered by the Company pursuant to the terms of the ESOS 2019.

3.3.11 Administration of the ESOS 2019

The ESOS 2019 shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board. A Director shall not be involved in the deliberation in respect of Option(s) to be granted to him or his Associates.

3.3.12 Modifications or alterations to the ESOS 2019

The ESOS 2019 may be modified and/or altered from time to time by resolution of the Committee, subject to the prior approval of the SGX-ST (if required, including compliance with any Shareholders' approval requirement which the SGX-ST may impose) and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attaching to Options granted prior to such modification or alteration except with the consent in writing of such number of Grantees who, if they were to exercise their Options in full, would thereby become entitled to not less than 75.0% of the number of all the Shares which would fall to be allotted upon exercise in full of all outstanding Options.

No modification or alteration shall be made to the rules of the ESOS 2019, in particular, to rules relating to (i) persons entitled to participate in the ESOS 2019; (ii) the size of the ESOS 2019; (iii) the quantum of discount to the Exercise Price; (iv) the amount payable upon acceptance of the Options; (v) the Exercise Period; (vi) the Exercise Price; (vii) the voting, dividend, transfer and other rights attaching to the Options or the Shares arising from the exercise of the Options; (viii) the administration of the ESOS 2019 by a committee of Directors; and (ix) the requirement of requiring a member of the Committee to abstain from participating in any deliberation or decision relating to any grant of Options to him, to the advantage of the holders of the Options except with the prior approval of Shareholders in general meeting whereby Shareholders who are also holders of Options shall abstain from voting in respect of any resolution relating to such modification or alteration. Accordingly, the Company will, prior to any modification or alteration to the rules of the ESOS 2019, seek Shareholders' approval should such modification or alteration to the rules of the ESOS 2019 be advantageous to the holders of the Options or will result in the holders of the Options receiving a benefit that a Shareholder does not.

3.4 **The Authority to Grant Options at a Discount**

In accordance with Rule 845(5) of the Listing Manual and the rules of the ESOS 2019, the making of offers and grants of Option(s) under the ESOS 2019 at a discount not exceeding the maximum discount of 20% of the Market Price is subject to the approval of Shareholders in general meeting. For the avoidance of doubt, such prior approval shall be required to be obtained only once, and once obtained, shall, unless revoked, authorise the making of offers and grants of Option(s) under the ESOS 2019 at such discount for the duration of the ESOS 2019.

Under the ESOS 2019, the Exercise Price of Option(s) granted shall be determined by the Committee at its absolute discretion. The Committee has the discretion to grant Discounted Options on a case by case basis, taking into consideration, including but not limited to, the criteria set out under the rules of the ESOS 2019.

The ability to offer Discounted Option will give the Company flexibility in structuring the Option(s) granted, and ensures that the Company maintains the competitiveness of its compensation strategy. The Company may utilise the Option(s) as a means to reward Grantees for their outstanding performance and to motivate them to continue to excel, as well as attract new talent for the Company. Being able to grant Option(s) at a discount allows the Company to acknowledge a Grantee's contributions where such means is more meaningful than just paying a cash bonus, as these Option(s) operate as a form of cashless reward from the Company with a greater potential for capital appreciation than Option(s) granted at the Market Price. This serves as an additional method available to the Company for compensating employees rather than merely through salaries, salary increment and cash bonuses as it enables the Company to introduce an effective manner of motivating Grantees to maximise their performance, which will in turn create better value for the Shareholders.

Further, because Discounted Options are subject to a longer vesting period (2 years) than Market Price Options (1 year), holders of such Option(s) are encouraged to have a long-term view of the Company, thereby promoting staff and employee retention and reinforcing their commitment to the Company.

The Company believes that the maximum 20% discount to the Market Price of the Shares is sufficient to allow for flexibility in the ESOS 2019, while minimising the potential dilutive effect to the Shareholders arising from the ESOS 2019.

The Committee will determine on a case-by-case basis whether a discount will be given and if so, the quantum of the discount, taking into account the objective that is desired to be achieved by the Company and the prevailing market conditions. As the actual discount given will depend on the relevant circumstances, the extent of the discount may vary from one case to another subject to a maximum discount of 20% to the Market Price in respect of that Option.

3.5 Rationale for the ESOS 2019

The Company understands that it needs to be able to retain qualified and experienced key personnel and recruit new personnel with capabilities and high performance standards in order for it to be effective and profitable and enhance Shareholders' value. The ESOS 2019 will give the Company added flexibility in structuring more competitive remuneration packages which are designed to reward and retain personnel whose services are vital to the well-being, growth and success of the Company.

In addition, the Company wants to create a sense of ownership amongst its Employees with a view to motivating them to take responsibility for the Group's performance. The ESOS 2019 aims to achieve this by allowing eligible Employees and Directors to participate in the equity of the Company.

The extension of the ESOS 2019 to Executive Directors and Employees of associated companies allows the Company to have a fair and equitable system to reward persons who have made and continue to make significant contributions to the long-term growth and performance of the Group.

The Company believes that the ESOS 2019 will also enable the Group to attract, retain and provide incentives to its Grantees to produce higher standards of performance as well as encourage greater dedication and loyalty by enabling the Company to give recognition to past contributions and services as well as motivating the Grantees generally to contribute towards the long-term growth of the Group.

3.6 Rationale for participation by Non-Executive Directors (including Independent Directors) in the ESOS 2019

While the ESOS 2019 cater principally to the Employees, there are other groups of people who make significant contributions to the Group through their close working relationships with the Group, even if they are not directly employed within the Group. Such persons include the Non-Executive Directors.

The Non-Executive Directors (including Independent Directors) come from different professions and backgrounds and bring to the Group a wealth of experience and expertise in corporate governance and business management as well as contacts in the business community. They also provide invaluable guidance in relation to the strategic issues and development of the Group by allowing the Group to draw on the diverse backgrounds of these individuals. The Non-Executive Directors therefore provide the Group with a multi-disciplinary approach in evaluating and considering business issues and opportunities. It is crucial for the Group to attract, retain and incentivise the Non-Executive Directors and accordingly align their interests with that of the Group.

Although they are not specifically involved in the day-to-day running of the Group, the Non-Executive Directors are frequently consulted on various matters in relation to the business of the Group. The Company therefore regards these persons as an additional resource pool and values their contributions greatly. The Board is of the view that allowing the Non-Executive Directors to participate in the ESOS 2019 will show the Company's appreciation for, and further motivate them in, their services and contribution towards the growth and development of the Group.

The Board is of the view that the participation by the Non-Executive Directors in the ESOS 2019 will not compromise their independent status as it is envisaged that any Options granted to Non-Executive Directors (including Independent Directors) will not comprise (whether on an individual or collective

basis) a significant portion of the Options available under the ESOS 2019. The Non-Executive Directors as at the Latest Practicable Date are Kwong Kim Mone, Lee Yong Guan, Pow Tien Tee, Kam Boon Cheong and Lim Chin Hong. As Kwong Kim Mone is a Controlling Shareholder of the Company, he will not be eligible to participate in the ESOS 2019. This is in light that Controlling Shareholders and their Associates are not eligible to participate in the ESOS 2019.

The selection of Directors (including Non-Executive Directors) to participate in the ESOS 2019 as well as the number of Options to be offered thereof will be made by the Committee taking into consideration among other things, the services and contributions made by such Directors to the growth, development and success of the Group. The Committee may, where it considers it relevant, take into account other factors such as the economic conditions and the Group's performance. Although the Directors may be appointed as members of the Committee, the rules of the ESOS 2019 provide that a member of the Committee shall not be involved in the deliberation or decision of the Committee in respect of the Options granted to or held by him or his Associates.

3.7 Rationale for participation by Executive Directors and Employees of Associated Companies in the ESOS 2019

As at the Latest Practicable Date, the Company does not have any associated companies.

It is, nevertheless, the intention of the Company to extend the ESOS 2019 to include associated companies which may arise in the future so as to enable the Executive Directors and Employees of associated companies to participate in the ESOS 2019. Such associated companies are companies in which at least 20% but not more than 50% of its shares are held by the Company or the Group and in which the Company exercises effective Control.

The Board is of the view that the extension of the ESOS 2019 to Executive Directors and Employees of associated companies will serve to motivate these individuals to contribute to the growth of their companies. The contribution of such individuals to the success and development of their companies will in turn benefit the Group from the equity accounting of the higher profits of the associated companies. Therefore it is in the interest of the Company to motivate the Executive Directors and Employees of associated companies by allowing them to participate in the ESOS 2019.

In granting Options to Executive Directors and Employees of associated companies, the Committee will consider, among other things, the contribution of such individuals to the success and development of the Company and/or the Group before selecting them for participation in the ESOS 2019. For the purposes of assessing their contributions, the Committee may adopt a performance framework which incorporates financial and/or non-financial criteria. These criteria include the contribution of the relevant associated company to the net profit after tax and business growth of the Group as well as the years of service of the relevant director or employee of the associated company.

The offer of Options and the number of Shares over which such Options are granted to such directors and employees of the Company's associated companies, if any, would be relatively less frequent and smaller in percentage as compared with Options granted to employees and directors of the Company and its subsidiaries.

3.8 Financial Effects of the ESOS 2019

3.8.1 Share capital

The ESOS 2019 will result in an increase in the number of issued Shares of the Company to the extent of the New Shares that will be allotted and issued pursuant to the exercise of the Options granted under the ESOS 2019. This will in turn depend on, *inter alia*, the number of Shares comprised in the Options granted, the number of Options that are accepted and exercised and the Exercise Price of the Shares comprised in the Options. However, there will be no change to the number of issued Shares of the Company where Options are not exercised, or when exercised, are satisfied by treasury shares.

3.8.2 NTA

The issue of New Shares upon the exercise of the Options granted under the ESOS 2019 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.

3.8.3 EPS

The ESOS 2019 will have a dilutive impact on the Company's consolidated EPS following the increase in the Company's number of issued Shares to the extent that New Shares are allotted and issued upon the exercise of the Options.

3.8.4 Potential cost of issuing the Options

The grant of Options under the ESOS 2019 will not have an impact on the Company's cash flow, as neither the Company nor the Group would expend any cash outlay at the time of such grant of Options, as compared with the payment of cash bonuses. However, any new Shares issued pursuant to the exercise of the Options will have a fair value at the time of the grant. The fair value is an estimate of the amount that a willing buyer would pay a willing seller for the Option on the Date of Grant.

Under the ESOS 2019, Options are granted to Grantees at a nominal consideration of S\$1.00. Insofar as such Options are granted at a consideration that is less than their fair value at the time of grant, there will be a cost to the Company represented by the reduced amount the Company would have received from the relevant Grantee. This reduced amount that the Company would have received is the difference between the fair value of the Shares at the time of the grant and the Exercise Price of the Options granted. The quantum of this reduced amount will depend on various factors such as the length of the option period. If however, such costs were to be recognised, it would have to be charged to the Company's profit and loss account at the time Options are granted, thereby reducing the profits of the Group.

Subject as aforesaid, as and when Options are exercised, the cash inflow will add to the NTA of the Company and its share capital will grow.

The Company's cost of granting Options is therefore that the impact from the issue and allotment of, and/or transfer of, Shares upon the exercise of Options on the NTA per Share will be accretive if the Exercise Price is above the NTA per Share, but dilutive otherwise. This cost or impact however will materialise only upon the actual exercise of the relevant Options.

Measured against the aforementioned costs of granting the Options is the desirable effect of the ESOS 2019 to attract, recruit, retain and motivate Directors and Employees which could in the long-term yield greater returns for the Company and the Shareholders.

Any Options granted under the ESOS 2019 would have a fair value at the Date of Grant. In addition to the impact on the Company's consolidated EPS and consolidated NTA as described above, the cost to the Company of granting Options under the ESOS 2019 will have an impact on the Company's and the Groups reported profit under IFRS(I)2 "Share Based Payment", which is effective for financial periods beginning on or after 1 January 2005 and requires the recognition of an expense in respect of Options granted under the ESOS 2019. The expense will be based on the fair value of the Options at the Date of Grant (as determined by an option-pricing model) and will be recognised over the vesting period.

The cost of the Options granted would be recognised in the Company's financial statements even if the Options are not exercised.

3.9 Abstention from Voting

Shareholders (including Directors who are Shareholders) who are entitled to participate in the proposed ESOS 2019 should abstain from voting at the 2019 AGM in respect of the ESOS Resolutions as set out in the Notice of AGM. If and when votes are cast by such persons, the Company will disregard the votes cast by them on the ESOS Resolutions as set out in the Notice of AGM.

Such Shareholders should also decline appointment as proxies for voting at the 2019 AGM in respect of the ESOS Resolutions, unless specific instructions have been given in the proxy form on how the votes are to be cast for each of the said resolutions.

Kwong Kim Mone, the Non-Executive and Non-Independent Chairman of the Company, is a Controlling Shareholder of the Company. As Controlling Shareholders and their Associates are not eligible to participate in the ESOS 2019, Kwong Kim Mone will, accordingly, not be eligible to participate in the ESOS 2019. Kwong Kim Mone is therefore not deemed to be interested in the ESOS 2019. As such, Kwong Kim Mone and his Associates need not abstain from voting on the ESOS Resolutions at the 2019 AGM.

3.10 Continuing Obligation

In compliance with Rule 704(29) of the Listing Manual, the Company will announce, *inter alia*, the following information via the SGXNET on the date of the grant of any Options to Grantees:

- (a) Date of Grant;
- (b) Exercise Price of Options granted;
- (c) number of Options granted;
- (d) market price of its securities on the Date of Grant;
- (e) number of Options granted to each Director and their Associates; and
- (f) validity period of the Options.

3.11 Disclosures in Annual Reports

The Company, as required by the SGX-ST, shall make the following disclosures (as may be applicable under the then prevailing listing rules) in its annual report for so long as the ESOS 2019 continues in operation:

- (a) the names of the members of the Committee administering the ESOS 2019;
- (b) in respect of the following Grantees of the ESOS 2019:
 - (i) Directors; and
 - (ii) Employees (other than Directors) who have been granted Options under the ESOS 2019 to subscribe for Shares representing 5% or more of the total number of Shares available under the ESOS 2019,

the following information:

- (aa) the name of the Grantee; and
- (bb) the following particulars relating to the Options granted under the ESOS 2019:

	Aggregate number of Shares comprised in Options granted since commencement of the ESOS 2019 to the end of the financial year under review	Aggregate number of Shares comprised in Options exercised since commencement of the ESOS 2019 to the end of the financial year under review	Aggregate number of Shares comprised in Options outstanding as at the end of the financial year under review
Number of Shares comprised in Options granted during the financial year under review (including terms)			

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

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 Interests in Shares

Based on the Register of Director's Shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date, the shareholdings of the Directors and the substantial shareholders of the Company before and after share buy-back by the Company pursuant to the Share Buy Back Mandate, assuming (a) the Company purchases the maximum limit of 10% of the total number of issued Shares as at the Latest Practicable Date, and (b) there is no change in the number of Shares held by the Directors and the substantial shareholders of the Company or which they are deemed interested in, will be as follows:

	Before Buy-back (Number of Shares)			Before Buy-back	After Buy-back
	Direct Interest	Deemed Interest	Total Interest	% ⁽¹⁾	% ⁽²⁾
Directors					
Kwong Kim Mone ⁽³⁾	6,734,118	120,627,910	127,362,028	53.25	59.17
Lim Chin Tong	1,950,000	-	1,950,000	0.82	0.91
Lee Yong Guan	486,000	-	486,000	0.20	0.23
Pow Tien Tee	175,000	9,000	184,000	0.08	0.08
Kam Boon Cheong	150,000	1,145,000	1,295,000	0.54	0.60
Lim Chin Hong	25,000	-	25,000	0.01	0.01
Substantial shareholders					
MIT Technologies Pte Ltd	120,627,910	-	120,627,910	50.44	56.04
Kwong Kim Mone ⁽³⁾	6,734,118	120,627,910	127,362,028	53.25	59.17
Kwong Kim Ho ⁽³⁾	-	120,627,910	120,627,910	50.44	56.04

Notes:

- (1) As a percentage of the issued share capital of the Company comprising 239,170,970 Shares as at the Latest Practicable Date.
- (2) As a percentage of the issued share capital of the Company comprising 215,253,873 Shares (assuming that the Company purchases or acquires the maximum number of 23,917,097 Shares as permitted under the Share Buy Back Mandate).
- (3) Kwong Kim Mone and Kwong Kim Ho are deemed to be interested in 120,627,910 Shares held by MIT Technologies Pte Ltd by virtue of Section 4 of the Securities and Futures Act.

4.2 Interests in the ESOS 2019

Save for Kwong Kim Mone, all the Directors of the Company are eligible to participate in the ESOS 2019. They are therefore deemed to be interested in the ESOS 2019.

None of the Controlling Shareholders, including Kwong Kim Mone, or their Associates is eligible to participate in the ESOS 2019. They are therefore not deemed to be interested in the ESOS 2019.

5. DIRECTORS' RECOMMENDATIONS

5.1 Proposed Renewal of the Share Buy Back Mandate

Having fully considered the rationale and benefit of the Share Buy Back Mandate, the Directors are of the view that the proposed renewal of the Share Buy Back Mandate is in the best interests of the Company. They accordingly recommend that Shareholders vote in favour of Resolution 9 relating to the proposed renewal of the Share Buy Back Mandate at the 2019 AGM.

5.2 Proposed Adoption of the ESOS 2019

Save for Kwong Kim Mone, all the other Directors are eligible to participate and are therefore interested in the ESOS 2019. Kwong Kim Mone, a Non-Executive Director and a Controlling Shareholder, is not eligible to participate in the ESOS 2019 as Controlling Shareholders and their Associates are not eligible to participate in the said scheme.

Accordingly, save for Kwong Kim Mone, all the other Directors have refrained from making any recommendation in relation to the proposed adoption of the ESOS 2019.

Kwong Kim Mone, having reviewed and considered the rationale and benefit of the proposed adoption of the ESOS 2019, is of the view that the proposed adoption of the ESOS 2019 is in the best interests of the Company. He accordingly recommend that Independent Shareholders vote in favour of Resolution 10 relating to the proposed adoption of the ESOS 2019 at the 2019 AGM.

5.3 Proposed grant of Options at a discount under the proposed ESOS 2019

Save for Kwong Kim Mone, all the other Directors are eligible to participate and are therefore interested in the proposed grant of Options at a discount under the ESOS 2019. Kwong Kim Mone, a Non-Executive Director and a Controlling Shareholder, is not eligible to participate in the ESOS 2019 as Controlling Shareholders and their Associates are not eligible to participate in the said scheme.

Accordingly, save for Kwong Kim Mone, all the other Directors have refrained from making any recommendation in relation to the proposed grant of Options at a discount under the ESOS 2019.

Kwong Kim Mone, having reviewed and considered the rationale and benefit of the proposed grant of Options at a discount under the ESOS 2019, is of the view that the proposed grant of Options at a discount under the ESOS 2019 is in the best interests of the Company. He accordingly recommend that Independent Shareholders vote in favour of Resolution 11 relating to the proposed grant of Options at a discount under the ESOS 2019 at the 2019 AGM.

6. ANNUAL GENERAL MEETING

The 2019 AGM, notice of which is enclosed with the Annual Report of the Company, will be held at Sapphire III, Orchid Country Club, 1 Orchid Club Road, Singapore 769162 on Friday, 26 April 2019, at 9.30 a.m. for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of AGM including but not limited to Resolution 9 relating to the proposed renewal of the Share Buy Back Mandate, Resolution 10 relating to the proposed adoption of the ESOS 2019 and Resolution 11 relating to the proposed grant of Options at a discount under the ESOS 2019.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2019 AGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the proxy form enclosed with the Annual Report in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at Block 5004 Ang Mo Kio Avenue 5, #05-01, TECHplace II, Singapore 569872 not less than 48 hours before the time appointed for holding the 2019 AGM. The completion and lodgment of the proxy form by a Shareholder will not prevent him from attending and voting at the 2019 AGM in person if he so wishes. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the 2019 AGM 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 2019 AGM.

A Depositor shall not be regarded as a member of the Company entitled to attend the 2019 AGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time appointed for holding the 2019 AGM, as certified by CDP to the Company.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy Back Mandate, the proposed adoption of the ESOS 2019, the proposed grant of Options at a discount under the ESOS 2019, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix 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 Appendix in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Block 5004 Ang Mo Kio Avenue 5, #05-01, TECHplace II, Singapore 569872 during normal business hours from the date of this Appendix up to and including the date of the 2019 AGM:

- (a) the Constitution of the Company;
- (b) the Annual Report for FY2018; and
- (c) the rules of the proposed ESOS 2019.

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

Lim Chin Tong
Executive Director and Chief Executive Officer

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