

CIRCULAR DATED 6 APRIL 2017

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

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

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

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



MANUFACTURING INTEGRATION TECHNOLOGY LTD

(Incorporated in the Republic of Singapore with limited liability)

(Company Registration No. 199200075N)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE;**
- (2) THE PROPOSED RENEWAL OF THE MIT PERFORMANCE SHARE PLAN; AND**
- (3) THE PROPOSED PARTICIPATION BY MR KWONG KIM MONE IN THE MIT PERFORMANCE SHARE PLAN.**

This Circular is issued to you together with the Group’s (as defined herein) Annual Report for the financial year ended 31 December 2016 (the “Annual Report”). The resolutions proposed to be passed in relation to the above matters are set out in the Notice of Annual General Meeting attached to the Annual Report.

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	:	19 April 2017 at 9.30a.m.
Date and time of Annual General Meeting	:	21 April 2017 at 9.30a.m.
Place of Annual General Meeting	:	Sapphire III Orchid Country Club 1 Orchid Club Road Singapore 769162

CONTENTS

	PAGE
DEFINITIONS	3
LETTER TO SHAREHOLDERS	7
1. INTRODUCTION	7
2. THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE	7
3. THE PROPOSED RENEWAL OF THE MIT PERFORMANCE SHARE PLAN	21
4. THE PROPOSED PARTICIPATION BY MR KWONG KIM MONE IN THE MIT PERFORMANCE SHARE PLAN	25
5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	27
6. DIRECTORS' RECOMMENDATIONS	28
7. INSPECTION OF DOCUMENTS	28
8. DIRECTORS' RESPONSIBILITY STATEMENT	29
ANNEX A – SUMMARY OF THE RULES OF THE MIT PERFORMANCE SHARE PLAN	30

DEFINITIONS

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

- “2016 AGM”** : The annual general meeting of the Company held on 22 April 2016.
- “2017 AGM”** : The annual general meeting of the Company to be held on 21 April 2017 at 9.30 a.m. (or any adjournment thereof).
- “ACRA”** : Accounting and Corporate Regulatory Authority.
- “Act”** : The Companies Act, Chapter 50 of Singapore, as may be amended, modified or supplemented from time to time.
- “Approval Date”** : The date of the last annual general meeting of the Company at which the Share Buy Back Mandate was approved.
- “Associate”** : a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:-
- i. his immediate family;
 - ii. the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - iii. any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- “Associated Company”** : A company in which at least 20% but not more than 50% of its shares are held by the Company, its subsidiaries and/or Associated Companies, and over which the Company has control.
- “Associated Company Employee”** : Any employee of an Associated Company (including any Associated Company Executive Director) selected by the Committee to participate in the MIT Performance Share Plan in accordance with the provisions thereof or any person principally engaged by any member of the Group to perform services for the Group of a nature similar to the work undertaken by any Group Employee, selected by the Committee to participate in the MIT Performance Share Plan in accordance with the provisions thereof.
- “Associated Company Executive Director”** : A director of an Associated Company who performs an executive function.
- “Award”** : A contingent award of Ordinary Shares granted under the MIT Performance Share Plan.

DEFINITIONS

“Award Date”	:	In relation to an Award, the date on which the Award is granted pursuant to the MIT Performance Share Plan.
“Board”	:	The board of Directors of the Company as at the date of this Circular.
“CDP”	:	The Central Depository (Pte) Limited.
“Circular”	:	This Circular to Shareholders dated 6 April 2017.
“Committee”	:	A committee comprising of Directors duly authorised and appointed by the board of Directors to administer the MIT Performance Share Plan.
“Constitution”	:	The Memorandum and Articles of Association of the Company.
“Controlling Shareholder”	:	A person who: <ul style="list-style-type: none">a) holds directly or indirectly 15% or more of all voting shares in the Company, unless determined by SGX-ST that such person is not a controlling shareholder; orb) in fact exercises control over the Company; orc) such other meaning as the SGX-ST may ascribe to this term from time to time.
“Director”	:	A person holding office as a director of the Company as at the date of this Circular.
“Employee”	:	A confirmed full-time employee of the Company, its subsidiaries or Associated Companies.
“Executive Director”	:	A director (excluding an alternate director) of the Company who holds office in an executive capacity or who performs an executive function.
“EPS”	:	Earnings per Share.
“FY”	:	The financial year ended or ending 31 December.
“Group”	:	The Company and its subsidiaries.
“Group Employee”	:	Any employee of the Group (including any Group Executive Director) selected by the Committee to participate in the MIT Performance Share Plan in accordance with the provisions thereof.
“immediate family”	:	In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent.
“Latest Practicable Date”	:	31 March 2017, being the latest practicable date prior to the printing of this Circular.

DEFINITIONS

“Listing Manual”	:	The Listing Manual of the SGX-ST, as may be amended, modified or supplemented from time to time.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities.
“MIT” or the “Company”	:	Manufacturing Integration Technology Ltd.
“MIT Performance Share Plan” or “Plan”	:	The performance share plan known as the “MIT Performance Share Plan”, adopted by the Company at the extraordinary general meeting of the Company held on 27 April 2007, as may be modified or altered from time to time.
“MIT Share Option Scheme”	:	The share option scheme known as the “MIT Employee Share Option Scheme 2009”, adopted by the Company at the 2009 EGM, as may be modified or altered from time to time.
“month”	:	A calendar month.
“New Shares”	:	The new Shares which may be allotted and issued from time to time pursuant to the vesting of Awards granted under the MIT Performance Share Plan.
“Non-Executive Director”	:	A director (excluding an alternate director) of the Company who is not an Executive Director.
“Notice of Annual General Meeting”	:	The notice of annual general meeting dated 6 April 2016 attached to the Annual Report.
“NTA”	:	Net tangible assets.
“Participant”, collectively “Participants”	:	A Group Employee or an Associated Company Employee, as the case may be, who has been granted an award.
“record date”	:	The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of Shareholders.
“Rules”	:	The Rules of the MIT Performance Share Plan, as the same may be amended from time to time.
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“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.

DEFINITIONS

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

In this Circular:

- (i) The expressions “**acting in concert**” and “**associate**” shall have the meaning ascribed to them respectively in the Take-over Code.
- (ii) The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Act.
- (iii) Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine gender and the neuter gender and *vice versa*.
- (iv) References to persons shall include corporations.
- (v) Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Act, the Listing Manual or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the Act, the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.
- (vi) Any reference to a time of day and date in this Circular is a reference to Singapore time and date respectively, unless otherwise stated.
- (vii) Any discrepancies in figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.
- (viii) The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

LETTER TO SHAREHOLDERS

MANUFACTURING INTEGRATION TECHNOLOGY LTD

(Incorporated in the Republic of Singapore)
(Company Registration No. 199200075N)

Board of Directors:

Kwong Kim Mone (Chairman and Managing Director)
Lim Chin Tong (Executive Director)
Lee Yong Guan (Lead Independent Director)
Pow Tien Tee (Independent Director)
Kam Boon Cheong (Independent Director)
Lim Chin Hong (Independent Director)

Registered Office:

Blk 5004 Ang Mo Kio Ave 5
#03-12 TECHplace II
Singapore 569872

6 April 2017

To: The Shareholders of Manufacturing Integration Technology Ltd

Dear Sir/Madam

- (1) **THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE;**
- (2) **THE PROPOSED RENEWAL OF THE MIT PERFORMANCE SHARE PLAN; AND**
- (3) **THE PROPOSED PARTICIPATION BY MR KWONG KIM MONE IN THE MIT PERFORMANCE SHARE PLAN**

1. INTRODUCTION

1.1 2017 AGM

The Directors wish to refer to (i) the Notice of Annual General Meeting dated 6 April 2017, accompanying the Company's Annual Report to convene the 2017 AGM; (ii) Resolution 8 being the ordinary resolution for the proposed renewal of the Share Buy Back Mandate; (iii) Resolution 9 being the ordinary resolution for the proposed renewal of the MIT Performance Share Plan; and (iv) Resolution 10 being the ordinary resolution for the proposed participation by Mr. Kwong Kim Mone in the MIT Performance Share Plan.

1.2 Circular

The purpose of this Circular is to provide Shareholders with the relevant information in relation to the above, and to seek the approval of Shareholders at the 2017 AGM for the matters set out in this Circular. The SGX-ST assumes no responsibility for the accuracy of any statements made or opinions expressed or reports contained in this Circular.

2. THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

2.1 Background

At the 2016 AGM, the Shareholders had approved the renewal of a Share Buy Back Mandate to enable the Company to purchase or otherwise acquire Shares in the capital of the Company. The rationale for, the authority and limitations on, and the financial effects of, the Share Buy Back Mandate were set out in the Company's circular to Shareholders dated 6 April 2016.

LETTER TO SHAREHOLDERS

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 2016 AGM and will expire on the date of the 2017 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 2017 AGM). Accordingly, the Directors propose that the Share Buy Back Mandate be renewed at the 2017 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 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 2017 AGM for a general and unconditional mandate to be given for the purchase or acquisition by the Company of its issued Shares.

If approved by Shareholders at the 2017 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 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 of Shares by the Company under the Share Buy Back Mandate are summarised below:

2.4.1 Maximum Number of Shares

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

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

LETTER TO SHAREHOLDERS

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 224,605,870 Shares (excluding 407,000 treasury shares held by the Company as at the Latest Practicable Date) and assuming that no further Shares are issued on or prior to the 2017 AGM, not more than 22,460,587 Shares (representing 10% of the issued and paid-up share capital of the Company as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buy Back Mandate.

2.4.2 Duration of Authority

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

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

2.4.3 Manner of Purchase of Shares

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

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

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

- (i) 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;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (a) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
 - (b) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and

LETTER TO SHAREHOLDERS

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

2.4.4 **Maximum Purchase Price**

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

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

- (a) in the case of 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, up to 120% of the Average Closing Price (as defined hereinafter),

(the "**Maximum Price**") in either case, excluding related expenses of the purchase.

For the above purposes:

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

LETTER TO SHAREHOLDERS

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

2.5 Status of Shares Purchased by the Company

2.5.1 Cancellation

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

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

2.5.2 Treasury Shares

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

(i) Maximum Holdings

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

(ii) Voting and Other Rights

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

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

(iii) Disposal and Cancellation

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

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

LETTER TO SHAREHOLDERS

- (d) cancel the treasury shares; or
- (e) 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:

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;
- (c) number of treasury shares sold, transferred, cancelled and/or used;
- (d) number of shares before and after such sale, transfer, cancellation and/or use;
- (e) 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
- (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Source of Funds for the Share Buy-Back

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

The Company may use internal resources and/or external borrowings to finance purchases 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.

LETTER TO SHAREHOLDERS

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

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any 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 the 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 for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

2.7.2 Persons Acting in Concert

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

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

LETTER TO SHAREHOLDERS

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

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

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

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

Based on the shareholdings of the Directors in the Company as at the Latest Practicable Date, none of the Directors and parties acting in concert with them will become obligated to make a mandatory offer by reason only of the buy back of 22,460,587 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, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buy Back Mandate.

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

2.8 Financial Impact

2.8.1 General

Shareholders should note that the financial effects illustrated below are for illustration purposes only. In particular, it is important to note that the financial analyses set out below are based on the audited financial statements of the Company for FY2016 and are not necessarily representative of the future financial performance of the Group. Although the proposed Share Buy Back Mandate would authorise the Company to buy back up to 10% of the Company's issued Shares, the Company may not necessarily buy back or be able to buy back 10% of the issued Shares in full.

2.8.2 Financial Effects of the Share Buy Back Mandate

It is not possible for the Company to realistically calculate or quantify the financial effects of purchases or acquisitions that may be made pursuant to the Share Buy Back Mandate, as it would depend on factors such as the aggregate number of Shares purchased or acquired, the

LETTER TO SHAREHOLDERS

purchase prices paid at the relevant time, the amount (if any) borrowed by the Company to fund the purchases, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled.

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

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

As at the Latest Practicable Date, the Company has 224,605,870 issued Shares (excluding 407,000 treasury shares).

(b) *Purchase or Acquisition 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 (excluding brokerage, commission, applicable goods and services tax and other related expenses) will not affect the amount available for distribution in the form of cash dividends by the Company.

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

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

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

LETTER TO SHAREHOLDERS

(d) *Number of Shares Acquired or Purchased*

Based on the 224,605,870 issued and paid-up Shares as at the Latest Practicable Date, disregarding the 407,000 ordinary shares held in treasury, and assuming no further Shares are issued and no Shares are held by the Company as treasury shares on or prior to the 2017 AGM, the purchase or acquisition by the Company of up to the maximum limit of 10% of its issued Shares will entail a purchase or acquisition of 22,460,587 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 22,460,587 Shares (representing 10% of its issued Shares) at the Maximum Price of S\$0.175 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 S\$3,930,603, excluding brokerage, commission, 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 22,460,587 Shares (representing 10% of its issued Shares) at the Maximum Price of S\$0.20 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 S\$4,492,117, excluding brokerage, commission, applicable goods and services tax and other related expenses.

(f) *Illustrative Financial Effects*

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

- (i) the acquisition of 10% Shares by the Company in 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 acquisition of 10% 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 acquisition of 10% 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 results of the Company for FY2016, are set out below:

LETTER TO SHAREHOLDERS

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

Market Share Purchases

S\$'000	Group		Company	
	Before Buy-back	After Buy-back	Before Buy-back	After Buy-back
Share Capital	46,682	46,682	46,682	46,682
Treasury Shares	(61)	(3,992)	(61)	(3,992)
Other Reserves	297	297	222	222
(Accumulated Losses) / Retained Earnings	(1,720)	(1,720)	396	396
Total Shareholders' Equity	45,198	41,267	47,239	43,308
Intangible Assets	85	85	85	85
Net Tangible Assets	45,113	41,182	47,154	43,223
Cash & Cash Equivalents	17,892	13,961	14,085	10,154
Current Assets	44,681	40,750	36,172	32,241
Current Liabilities	14,256	14,256	9,807	9,807
No. of Shares ('000)	224,606	202,145	224,606	202,145
Financial Ratios				
Net Tangible Asset per Share (cts)	20.09	20.37	20.99	21.38
Debt Equity Ratio (times)	0.08	0.09	0.08	0.09
Working Capital Ratio (times)	3.13	2.86	3.69	3.29
(Losses)/Earnings per Share (cts)	(2.45)	(2.72)	(3.59)	(3.99)

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

Off-Market Share Purchases

S\$'000	Group		Company	
	Before Buy-back	After Buy-back	Before Buy-back	After Buy-back
Share Capital	46,682	46,682	46,682	46,682
Treasury Shares	(61)	(4,553)	(61)	(4,553)
Other Reserves	297	297	222	222
(Accumulated Losses) / Retained Earnings	(1,720)	(1,720)	396	396
Total Shareholders' Equity	45,198	40,706	47,239	42,747
Intangible Assets	85	85	85	85
Net Tangible Assets	45,113	40,621	47,154	42,662
Cash & Cash Equivalents	17,892	13,400	14,085	9,593
Current Assets	44,681	40,189	36,172	31,680
Current Liabilities	14,256	14,256	9,807	9,807
No. of Shares ('000)	224,606	202,145	224,606	202,145
Financial Ratios				
Net Tangible Assets per Share (cts)	20.09	20.09	20.99	21.10
Debt Equity Ratio (times)	0.08	0.09	0.08	0.09
Working Capital Ratio (times)	3.13	2.82	3.69	3.23
(Losses)/Earnings per Share (cts)	(2.45)	(2.72)	(3.59)	(3.99)

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

LETTER TO SHAREHOLDERS

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

Market Share Purchases

S\$'000	Group		Company	
	Before Buy-back	After Buy-back	Before Buy-back	After Buy-back
Share Capital	46,682	42,751	46,682	42,751
Treasury Shares	(61)	(61)	(61)	(61)
Other Reserves	297	297	222	222
(Accumulated Losses) / Retained Earnings	(1,720)	(1,720)	396	396
Total Shareholders' Equity	45,198	41,627	47,239	43,308
Intangible Assets	85	85	85	85
Net Tangible Assets	45,113	41,182	47,154	43,223
Cash & Cash Equivalents	17,892	13,961	14,085	10,154
Current Assets	44,681	40,750	36,172	32,241
Current Liabilities	14,256	14,256	9,807	9,807
No. of Shares ('000)	224,606	202,145	224,606	202,145
Financial Ratios				
Net Tangible Assets per Share (cts)	20.09	20.37	20.99	21.38
Debt Equity Ratio (times)	0.08	0.09	0.08	0.09
Working Capital Ratio (times)	3.13	2.86	3.69	3.29
(Losses)/Earnings per Share (cts)	(2.45)	(2.72)	(3.59)	(3.99)

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

Off-Market Share Purchases

S\$'000	Group		Company	
	Before Buy-back	After Buy-back	Before Buy-back	After Buy-back
Share Capital	46,682	42,190	46,682	42,190
Treasury Shares	(61)	(61)	(61)	(61)
Other Reserves	297	297	222	222
(Accumulated Losses)/Retained Earnings	(1,720)	(1,720)	396	396
Total Shareholders' Equity	45,198	40,706	47,239	42,747
Intangible Assets	85	85	85	85
Net Tangible Assets	45,113	40,621	47,154	42,662
Cash & Cash Equivalents	17,892	13,400	14,085	9,593
Current Assets	44,681	40,189	36,172	31,680
Current Liabilities	14,256	14,256	9,807	9,807
No. of Shares ('000)	224,606	202,145	224,606	202,145
Financial Ratios				
Net Tangible Assets per Share (cts)	20.09	20.09	20.99	21.10
Debt Equity Ratio (times)	0.08	0.09	0.08	0.09
Working Capital Ratio (times)	3.13	2.82	3.69	3.23
(Losses)/Earnings per Share (cts)	(2.45)	(2.72)	(3.59)	(3.99)

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

LETTER TO SHAREHOLDERS

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

Market Share Purchases

S\$'000	Group		Company	
	Before Buy-back	After Buy-back	Before Buy-back	After Buy-back
Share Capital	46,682	46,682	46,682	46,682
Treasury Shares	(61)	(61)	(61)	(61)
Other Reserves	297	297	222	222
(Accumulated Losses)/Retained Earnings	(1,720)	(5,651)	396	(3,535)
Total Shareholders' Equity	45,198	41,267	47,239	43,308
Intangible Assets	85	85	85	85
Net Tangible Assets	45,113	41,182	47,154	43,223
Cash & Cash Equivalents	17,892	13,961	14,085	10,154
Current Assets	44,681	40,750	36,172	32,241
Current Liabilities	14,256	14,256	9,807	9,807
No. of Shares ('000)	224,606	202,145	224,606	202,145
Financial Ratios				
Net Tangible Assets per Share (cts)	20.09	20.37	20.99	21.38
Debt Equity Ratio (times)	0.08	0.09	0.08	0.09
Working Capital Ratio (times)	3.13	2.86	3.69	3.29
(Losses)/Earnings per Share (cts)	(2.45)	(2.72)	(3.59)	(3.99)

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

Off-Market Share Purchases

S\$'000	Group		Company	
	Before Buy-back	After Buy-back	Before Buy-back	After Buy-back
Share Capital	46,682	46,682	46,682	46,682
Treasury Shares	(61)	(61)	(61)	(61)
Other Reserves	297	297	222	222
(Accumulated Losses)/Retained Earnings	(1,720)	(6,212)	396	(4,096)
Total Shareholders' Equity	45,198	40,706	47,239	42,747
Intangible Assets	85	85	85	85
Net Tangible Assets	45,113	40,621	47,154	42,662
Cash & Cash Equivalents	17,892	13,400	14,085	9,593
Current Assets	44,681	40,189	36,172	31,680
Current Liabilities	14,256	14,256	9,807	9,807
No. of Shares ('000)	224,606	202,145	224,606	202,145
Financial Ratios				
Net Tangible Assets per Share (cts)	20.09	20.09	20.99	21.10
Debt Equity Ratio (times)	0.08	0.09	0.08	0.09
Working Capital Ratio (times)	3.13	2.82	3.69	3.23
(Losses)/Earnings per Share (cts)	(2.45)	(2.72)	(3.59)	(3.99)

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

LETTER TO SHAREHOLDERS

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

2.9 Taxation

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

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

2.10 Interested Persons

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

2.11 Reporting Requirements under the Companies Act

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

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

2.12 Applicable Rules of the Listing Manual

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

As at the Latest Practicable Date, approximately 39.28% of the shares are held in the hands of the public. For illustrative purposes only, assuming that the Company repurchased the maximum of 10% of its issued share capital as at the Latest Practicable Date from members of the public by way of a Market Purchase, the percentage of Shares held by the public would be approximately 32.54%.

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

LETTER TO SHAREHOLDERS

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. 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 of purchase of any of its shares; 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, inter alia, details of the total number of shares authorised for purchase, the date of purchase, the total number of shares purchased, the purchase price per share or in the case of 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 **Details of the Shares Bought by the Company in the Previous 12 Months**

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

3. **THE PROPOSED RENEWAL OF THE MIT PERFORMANCE SHARE PLAN**

3.1 **Background**

The MIT Performance Share Plan was approved by Shareholders at an extraordinary general meeting of the Company on 27 April 2007. The Plan was adopted for an initial duration of up to a maximum of ten (10) years, provided always that the Plan may continue beyond the above stipulated period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required. The initial duration of the Plan will expire on 26 April 2017.

3.2 **Proposed renewal and rationale**

The Plan is based on the principle of pay-for-performance and is designed to enable the Company to reward, retain and motivate employees to achieve superior performance. The Plan provides incentives to Participants to excel in their performance and encourage greater dedication and loyalty

LETTER TO SHAREHOLDERS

to the Company. Through the Plan, the Company is able to recognise and reward past contributions and services and motivate Participants to continue to strive for the Group's long-term prosperity. In addition, a central aim of the Plan is to foster an ownership culture within the Group which aligns the interests of Participants with the interests of Shareholders.

As the Plan is a key part of the Group's compensation arrangements, the Directors propose that the Plan be extended for a further period of ten (10) years from (and including) 27 April 2017 up to (and including) 26 April 2027.

Besides the proposed renewal of the Plan, all other Rules of the Plan remain unchanged. A summary of the Rules is set out in Annex A to this Circular. In addition, for completeness, other salient features of the Plan are set out below.

3.3 Eligibility

3.3.1 The following persons will be eligible to participate in the MIT Performance Share Plan:

- (a) Group Employees who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time and who have, as of the Award Date, been in the employment of the Group for a period of at least 12 months or such shorter period as the Committee may determine (unless such period of employment is waived by the Committee at its sole discretion);
- (b) Associated Company Employees who have attained the age of 21 years selected by the Committee to participate in the MIT Performance Share Plan in recognition of their services to the Group; and
- (c) The Company's Controlling Shareholder Mr Kwong Kim Mone will also be eligible to participate in the Performance Share Plan.

3.3.2 For the purposes of this paragraph, the following are defined below:

- (a) An "Associated Company" is a company in which at least 20% but not more than 50% of its shares are held by the Company, its subsidiaries and/or Associated Companies, and over which the Company has control.
- (b) An "Associated Company Employee" is any employee of an Associated Company (including any Associated Company Executive Director) selected by the Committee to participate in the MIT Performance Share Plan in accordance with the provisions thereof or any person principally engaged by any member of the Group to perform services for the Group of a nature similar to the work undertaken by any Group Employee, selected by the Committee to participate in the MIT Performance Share Plan in accordance with the provisions thereof.
- (c) A "Controlling Shareholder" is a person who:
 - (i) holds directly or indirectly 15% or more of all voting shares in the Company, unless determined by SGX-ST that such person is not a controlling shareholder; or
 - (ii) in fact exercises control over the Company; or
 - (iii) such other meaning as the SGX-ST may ascribe to this term from time to time.

LETTER TO SHAREHOLDERS

- (d) An “Executive Director” is a director (excluding an alternate director) of the Company who holds office in an executive capacity or who performs an executive function.
- (e) A “Group Employee” is any employee of the Group (including any Group Executive Director) selected by the Committee to participate in the MIT Performance Share Plan in accordance with the provisions thereof.

3.4 Size and Duration of the MIT Performance Share Plan

The total number of New Shares which may be issued pursuant to Awards granted under the MIT Performance Share Plan, when added to the number of New Shares issued and issuable in respect of all Awards granted thereunder and pursuant to options granted under the MIT Share Option Scheme shall not exceed 15% of the issued Shares of the Company on the day preceding the relevant date of award.

With regards to Controlling Shareholders and their Associates, the aggregate number of New Shares which may be granted to all Controlling Shareholders and their Associates will not exceed 25% of the New Shares available under the MIT Performance Share Plan, provided always that the number of New Shares issued and issuable in respect of all New Shares available to each of the Controlling Shareholders or their Associates shall not exceed 10% of the New Shares available under the MIT Performance Share Plan.

The Company may also deliver Shares pursuant to Awards granted under the MIT Performance Share Plan in the form of existing Shares purchased from the market or from Shares held in treasury. Such methods will not be subject to any limit as they do not involve the issuance of any New Shares.

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

3.5 Adjustments and Alterations under the MIT Performance Share Plan

The following describes the adjustment events under, and provisions relating to alterations of, the MIT Performance Share Plan.

3.5.1 Adjustment events

If a variation in the ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation or distribution or otherwise) shall take place or if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie), then the Committee may, in its sole discretion, determine whether:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted and if so, the manner in which such adjustments should be made.

The issue of securities as consideration for an acquisition or a private placement of securities, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when

LETTER TO SHAREHOLDERS

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

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

3.5.2 Modifications or Alterations to the MIT Performance Share Plan

The Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to any Award granted prior to such modification or alteration except with the written consent of such number of Participants under the Plan who, if their Awards were released to them on the applicable vesting dates relating to their Awards, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be vested upon release of all outstanding Awards on the relevant vesting dates applicable to all such outstanding Awards under the MIT Performance Share Plan. No alteration shall be made to particular rules of the Plan to the advantage of Participants, except with the prior approval of Shareholders in general meeting.

3.6 Disclosures in Annual Reports

The Company will make such disclosures in its annual report for so long as the Plan continues in operation as from time to time required by the Listing Manual including the following (where applicable):

- (a) the names of the members of the Committee administering the Plan;
- (b) in respect of the following Participants of the Plan;
 - (i) Directors of the Company; and
 - (ii) Participants (other than those in paragraph (i) above) who have been granted Awards under the Plan which, in aggregate, represent 5% or more of the aggregate of:
 - (1) the total number of New Shares available under the Plan collectively; and
 - (2) the total number of existing Shares delivered pursuant to Awards released under the Plan,the following information:
 - (aa) the name of the Participant;
 - (bb) the following particulars relating to Shares delivered pursuant to Awards released under the Plan:
 - (i) the number of New Shares issued to such Participant during the financial year under review; and
 - (ii) the number of existing Shares transferred to such Participant during the financial year under review; and

LETTER TO SHAREHOLDERS

- (c) in respect of the following Participants of the Plan;
 - (i) the aggregate number of Shares comprised in Awards granted since the commencement of the Plan to the end of the financial year under review;
 - (ii) the aggregate number of Shares comprised in Awards which have been released during the financial year under review and in respect thereof, the proportion of
 - (1) New Shares issued; and
 - (2) Existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased,upon the release of Awards granted under the Plan; and
 - (iii) the aggregate number of Shares comprised in Awards which have not been released as at the end of the financial year under review.

3.7 Role and Composition of the Committee

The Remuneration Committee, whose function is to assist the Board of Directors in reviewing remuneration and human resource matters in the Company as set out in their Terms of Reference, will be designated as the Committee responsible for the administration of the Plan, and will comprise Directors to administer the MIT Performance Share Plan.

In compliance with the requirements of the Listing Manual, a Participant of the Plan who is a member of the Remuneration Committee shall not be involved in its deliberations in respect of Awards to be granted to or held by that member of the Remuneration Committee.

3.8 Disclosure of previous Awards granted

The Company granted an Award of 500,000 Shares to an Employee pursuant to the MIT Performance Share Plan on 22 August 2016. 250,000 Shares will vest on 21 August 2017 and the remaining 250,000 Shares will vest on 21 August 2018.

During the reporting year, no Group Employee was granted 5% or more of the total number of new shares available under the MIT Performance Share Plan. Additionally, no Director of the Company has been granted an Award during the reporting year.

4. THE PROPOSED PARTICIPATION BY MR KWONG KIM MONE IN THE MIT PERFORMANCE SHARE PLAN

4.1 Participation by Controlling Shareholder Mr Kwong Kim Mone in the MIT Performance Share Plan

The Company's Controlling Shareholder Mr Kwong Kim Mone who is an Employee and who has contributed to the success and development of the Company is, subject to the absolute discretion of the Committee, eligible to participate in the MIT Performance Share Plan provided that the participation by such Controlling Shareholder and each grant of Award may only be effected with the specific prior approval of Shareholders at a general meeting in a separate resolution.

Where Awards are proposed to be granted to or held by Executive Directors, Controlling Shareholders or Associates of Controlling Shareholders, as a safeguard against abuse, all members of the Board (and not just members of the Committee) who are not Executive Directors, Controlling Shareholders or Associates of Controlling Shareholders, will be involved in deliberations on the same.

LETTER TO SHAREHOLDERS

4.2 Rationale and justification for participation

The key objectives of the proposed MIT Performance Share Plan is to motivate key executives (including directors and employees) to optimise their performance standards and efficiency and to reward them for their significant contributions with participation in the equity of the Company. The Company believes that the proposed MIT Performance Share Plan may be more effective than cash bonuses in motivating employees to work towards pre-determined targets and/or to put in their best efforts whilst at the same time allowing the Company to offer incentives and remuneration packages compatible with multinational companies. To this end, key executives including the Controlling Shareholders and their Associates shall be treated equally as the Controlling Shareholders and their Associates are important to the development and success of the Company. As such, regardless of whether they are Controlling Shareholders or Associates of Controlling Shareholders, the Company's view is that all deserving and eligible participants should be equally entitled to take part and benefit from the Company's fair and equitable system of remuneration.

The terms of the proposed MIT Performance Share Plan do not differentiate between the Controlling Shareholders and their Associates from other key executives in determining the eligibility of such persons to be granted Awards. They should not unduly favour Controlling Shareholders and their Associates. Likewise, Controlling Shareholders and their Associates should not be excluded from participating in the proposed MIT Performance Share Plan solely for the reason that they are Controlling Shareholders or Associates of Controlling Shareholders. In addition, to deny participation by the Controlling Shareholders and their Associates may serve to demotivate them and undermine the objectives of the MIT Performance Share Plan.

The principal Controlling Shareholder Mr Kwong Kim Mone was appointed Director of the Company on 15 February 1992. He is the Founder and Managing Director of the Company since its inception and became its Chairman on 1 November 1999. Mr Kwong has been instrumental in envisioning and spearheading the strategic growth of the Group. The Company believes that he has made and will continue to make invaluable contributions to the Group. While the Company is of the view that the existing remuneration of the Mr Kwong is not insufficient, the Company is proposing that approval be given for his participation in the MIT Performance Share Plan so as to spur him on to further optimise his performance standards and efficiency.

4.3 Safeguards

As a safeguard against abuse, all members of the Board who are not Controlling Shareholders or Associates of Controlling Shareholders (and not just members of the Committee) will be involved in deliberations in respect of Awards to be granted to or held by Controlling Shareholders and their Associates and the terms and conditions including the performance targets and vesting periods attached to such Awards. Examples of performance targets to be set for Controlling Shareholders and their Associates include targets based on criteria such as the Group's profitability, return of Shareholders' funds, penetration into new markets and management skills and succession planning.

Specific approval of the independent Shareholders is required for the grant of Awards to Controlling Shareholders and their Associates as well as the actual number of and terms of such Awards. In seeking such independent Shareholders' approval, clear justification as to their participation, the number of new Shares and the terms of Awards to be granted to the Controlling Shareholders and their Associates will need to be provided.

The Company is of the view that there are sufficient safeguards against abuse resulting from the participation of Mr Kwong Kim Mone in the proposed MIT Performance Share Plan.

LETTER TO SHAREHOLDERS

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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

Before Buy Back:

Director	Direct		Deemed	
	No. of Shares	% of total issued Shares	No. of Shares	% of total issued Shares
Kwong Kim Mone	4,984,118	2.22	120,627,910	53.71
Lim Chin Tong	1,354,000	0.60	-	-
Lee Yong Guan	336,000	0.15	-	-
Pow Tien Tee	25,000	0.01	9,000	0.004
Kam Boon Cheong	-	-	1,145,000	0.51
Lim Chin Hong	-	-	-	-

After Buy Back (Assuming that the Share Buy Back Mandate is utilised in full):

Director	Direct		Deemed	
	No. of Shares	% of total issued Shares	No. of Shares	% of total issued Shares
Kwong Kim Mone	4,984,118	2.47	120,627,910	59.67
Lim Chin Tong	1,354,000	0.67	-	-
Lee Yong Guan	336,000	0.17	-	-
Pow Tien Tee	25,000	0.01	9,000	0.004
Kam Boon Cheong	-	-	1,145,00	0.57
Lim Chin Hong	-	-	-	-

Unexercised share options held by the Directors as at the Latest Practicable Date:

Director	Number of Options
Kwong Kim Mone	1,750,000
Lim Chin Tong	642,000
Lee Yong Guan	125,000
Pow Tien Tee	125,000
Kam Boon Cheong	125,000

5.2 The interests of the Substantial Shareholders as at the Latest Practicable Date are set out below:

Name	Direct		Deemed		Total	
	No. of Shares	% of total issued Shares	No. of Shares	% of total issued Shares	No. of Shares	% of total issued Shares
MIT Technologies Pte Ltd	120,627,910	53.71	-	-	120,627,910	53.71
Kwong Kim Mone ⁽¹⁾	4,984,118	2.22	120,627,910	53.71	125,612,028	55.93
Kwong Kim Ho ⁽¹⁾	-	-	120,627,910	53.71	120,627,910	53.71

Notes:

(1) Mr Kwong Kim Mone and Ms Kwong Kim Ho are deemed to be interested in the 120,627,910 Shares held by MIT Technologies Pte Ltd by virtue of Section 7 of the Act

LETTER TO SHAREHOLDERS

6. DIRECTORS' RECOMMENDATIONS

6.1 Proposed Renewal of Share Buy Back Mandate

The Directors are of the opinion that the proposed renewal of the Share Buy Back Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the resolution relating to the proposed renewal of the Share Buy Back Mandate to be proposed at the 2017 AGM.

6.2 Proposed Renewal of the MIT Performance Share Plan

The Directors (other than those who are eligible to participate in the MIT Performance Share Plan) are of the opinion that the proposed renewal of the MIT Performance Share Plan is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the resolution relating to the proposed renewal of the MIT Performance Share Plan to be proposed at the 2017 AGM.

6.3 Proposed Participation by Mr Kwong Kim Mone, being a Controlling Shareholder, in the MIT Performance Share Plan

The Directors (other than Mr Kwong Kim Mone) are of the opinion that the participation by Mr Kwong in the MIT Performance Share Plan is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the resolution relating to the proposed participation of Mr Kwong Kim Mone in the MIT Performance Share Plan.

6.4 Abstention from voting

Shareholders who are eligible to participate in the MIT Performance Share Plan must abstain, and shall procure their Associates to abstain, from voting on any resolution relating to the MIT Performance Share Plan (other than a resolution relating to the participation of, or grant of Awards to, Directors and Employees of the Company's subsidiaries).

7. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at Blk 5004 Ang Mo Kio Ave 5, #03-12 TECHplace II, Singapore 569872 during normal business hours from the date of this Circular up to the date of the 2017 AGM:

- (a) the audited consolidated accounts of the Company for FY2016;
- (b) the Constitution of the Company; and
- (c) the Rules of the MIT Performance Share Plan.

LETTER TO SHAREHOLDERS

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

Kwong Kim Mone
Chairman and Managing Director

ANNEX A - SUMMARY OF THE RULES OF THE MIT PERFORMANCE SHARE PLAN

1. Eligibility

The following persons will be eligible to participate in the MIT Performance Share Plan:

- (a) Group Employees who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time and who have, as of the Award Date, been in the employment of the Group for a period of at least 12 months or such shorter period as the Committee may determine (unless such period of employment is waived by the Committee at its sole discretion);
- (b) Associated Company Employees who have attained the age of 21 years selected by the Committee to participate in the MIT Performance Share Plan in recognition of their services to the Group; and
- (c) The Company's Controlling Shareholder Mr Kwong Kim Mone will also be eligible to participate in the Performance Share Scheme.

2. Awards

Awards represent the right of a Participant to receive fully paid Shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance targets (if any) are met and/or upon expiry of the prescribed vesting periods (where applicable).

An Award or released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee.

3. Participants

The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the MIT Performance Share Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and, if applicable, the difficulty with which the performance condition may be achieved within the performance period.

As a safeguard against abuse, where Awards are proposed to be granted to or held by Executive Directors, Controlling Shareholders or Associates of Controlling Shareholders, all members of the Board (and not just members of the Committee) who are not Executive Directors, Controlling Shareholders or Associates of Controlling Shareholders, will be involved in deliberations on the same.

4. Details of Awards

The Committee shall decide, in relation to each Award to be granted to a Participant:

- (a) the Award Date;
- (b) the number of Shares which are the subject of the Award;
- (c) the performance target(s) (if any), the performance period during which such performance target(s) are to be satisfied, if any, and the extent to which Shares which are the subject of that Award shall be released on the prescribed performance target(s) (if any) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period;

ANNEX A - SUMMARY OF THE RULES OF THE MIT PERFORMANCE SHARE PLAN

- (d) the vesting periods (if any);
- (e) the release schedule (if any) setting out the extent to which Shares, which are the subject of that Award, shall be released at the end of each prescribed vesting period; and
- (f) any other condition which the Committee may determine in relation to that Award.

5. Timing

While the Committee has the discretion to grant Awards at any time in the year, it is currently anticipated that Awards would in general be made once a year. An Award letter confirming the Award and specifying, inter alia, the number of Shares which are the subject of the Award, the prescribed performance target(s) (if any), the performance period during which the prescribed performance target(s) are to be attained or fulfilled and the extent to which the Shares will be released on satisfaction of the prescribed performance target(s), the vesting period(s) (if any) and the release schedule (if any) will be sent to each Participant as soon as is reasonably practicable after the making of an Award.

6. Events Prior to Vesting

Special provisions for the vesting and lapsing of Awards apply in certain circumstances including the following:

- (a) The Participant (being a Group Employee or an Associated Company Employee) ceasing to be in the employment of the relevant member of the Group or (as the case may be) the relevant Associated Company for any reason whatsoever (other than as specified in paragraph (e) below);
- (b) the misconduct on the part of a Participant as determined by the Committee in its discretion;
- (c) an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency;
- (d) the bankruptcy of a Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Award;
- (e) the Participant (being a Group Employee or an Associated Company Employee) ceasing to be in the employment of the relevant member of the Group or (as the case may be) the relevant Associated Company by reason of:
 - (i) retirement; ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee) or death; redundancy; or any other reason approved in writing by the Committee;
 - (ii) the company by which he is employed ceasing to be a company within the Group or an Associated Company (as the case may be) or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group or to an Associated Company (as the case may be); or
 - (iii) (where applicable) his transfer of employment between members of the Group or from the Group to an Associated Company or vice versa or from an Associated Company to another Associated Company; or
 - (iv) any other event approved by the Committee;
- (f) the Participant ceasing to be an Associated Company Employee for any reason whatsoever;

ANNEX A - SUMMARY OF THE RULES OF THE MIT PERFORMANCE SHARE PLAN

- (g) any other event approved by the Committee; or
- (h) a take-over, reconstruction or amalgamation of the Company or an order being made or a resolution passed for the winding-up of the Company (other than as provided in paragraph (c) above or for reconstruction or amalgamation).

Upon the occurrence of any of the events specified in paragraphs (a), (b) and (c) above, an Award then held by a Participant shall, as provided in the rules of the MIT Performance Share Plan and to the extent not yet released, immediately lapse without any claim whatsoever against the Company.

Upon the occurrence of any of the events specified in paragraphs (d), (e), (f) and (g) above, the Committee may, in its absolute discretion determine whether an Award then held by such Participant, to the extent not yet released, shall lapse or that all or any part of such Award shall be preserved. If the Committee determines that an Award shall lapse, then such Award shall lapse without any claim whatsoever against the Company. If the Committee determines that all or any part of an Award shall be preserved, the Committee shall decide as soon as reasonably practicable following such event either to vest some or all of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of the relevant Performance Period (if any) and/or each vesting period (if any) and subject to the provisions of the MIT Performance Share Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and, in the case of a performance-related Award, the extent to which the applicable performance condition and targets have been satisfied.

Upon the occurrence of the event specified in paragraph (h) above, the Committee will consider, at its discretion, whether or not to release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to release any Award, then in determining the number of Shares to be vested in respect of such Award, the Committee will (if applicable) have regard to the proportion of the vesting period(s) which has elapsed and (if applicable) the extent to which the applicable performance conditions and targets have been satisfied.

7. Size and Duration of the MIT Performance Share Plan

The total number of New Shares which may be issued pursuant to Awards granted under the MIT Performance Share Plan, when added to the number of New Shares issued and issuable in respect of all Awards granted thereunder and pursuant to options granted under the MIT Share Option Scheme shall not exceed 15% of the issued Shares of the Company on the day preceding the relevant date of award.

With regards to Controlling Shareholders and their Associates, the aggregate number of New Shares which may be granted to all Controlling Shareholders and their Associates will not exceed 25% of the New Shares available under the MIT Performance Share Plan, provided always that the number of New Shares issued and issuable in respect of all New Shares available to each of the Controlling Shareholders or their Associates shall not exceed 10% of the New Shares available under the MIT Performance Share Plan.

The Company may also deliver Shares pursuant to Awards granted under the MIT Performance Share Plan in the form of existing Shares purchased from the market or from Shares held in treasury. Such methods will not be subject to any limit as they do not involve the issuance of any New Shares.

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

ANNEX A - SUMMARY OF THE RULES OF THE MIT PERFORMANCE SHARE PLAN

8. Operation of the MIT Performance Share Plan

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

- (a) an issue of New Shares; and/or
- (b) the delivery of existing Shares.

In determining whether to issue New Shares or to deliver existing Shares to Participants upon vesting of their Awards, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of either issuing New Shares or delivering existing Shares.

The Company has the flexibility, and if circumstances require, to approve the release of an Award, wholly or partly, in the form of cash rather than Shares.

New Shares allotted and issued, and existing Shares procured by the Company for delivery, on the release of an Award shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

The Committee shall have full discretion to determine whether any performance condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make reference to the audited results of the Company or the Group or an Associated Company (as the case may be) to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance target(s) if the Committee decides that a changed performance target would be a fairer measure of performance.

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