

APPENDIX DATED 11 APRIL 2018

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 2017 (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) to be tabled at the Annual General Meeting of the Company to be held on Thursday, 26 April 2018, 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 resolution proposed to be passed in respect of the proposed renewal of the Share Buy Back Mandate is set out 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

(Incorporated in the Republic of Singapore with limited liability)

(Company Registration No. 199200075N)

APPENDIX IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

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DEFINITIONS

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

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| “2017 AGM” | : | The annual general meeting of the Company held on 21 April 2017 |
| “2018 AGM” | : | The annual general meeting of the Company to be held on Thursday, 26 April 2018, 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 the financial year ended 31 December 2017 |
| “Appendix” | : | This Appendix dated 11 April 2018 |
| “Board” | : | The board of Directors of the Company for the time being |
| “CDP” | : | The Central Depository (Pte) Limited |
| “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 |
| “Directors” | : | The directors of the Company for the time being |
| “EPS” | : | Earnings per Share |
| “FY2017” | : | The financial year ended 31 December 2017 |
| “Group” | : | The Company and its subsidiaries |
| “Latest Practicable Date” | : | 28 March 2018, 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 |
| “Market Day” | : | A day on which the SGX-ST is open for trading in securities |
| “Notice of AGM” | : | The notice of the 2018 AGM dated 11 April 2018 enclosed with the Annual Report |
| “NTA” | : | Net tangible assets |

DEFINITIONS

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| “ Relevant Period ” | : | The period commencing from the date of the 2018 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**”, “**Depository Agent**” 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.

DEFINITIONS

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

(Incorporated in the Republic of Singapore with limited liability)

(Company Registration No. 199200075N)

Board of Directors:

Kwong Kim Mone (*Chairman and Managing Director*)

Lim Chin Tong (*Executive Director*)

Lee Yong Guan (*Lead Independent Director*)

Pow Tien Tee (*Independent Director*)

Kam Boon Cheong (*Independent Director*)

Lim Chin Hong (*Independent Director*)

11 April 2018

To: The Shareholders of Manufacturing Integration Technology Ltd

Dear Sir/Madam

Registered Office:

Block 5004 Ang Mo Kio Ave 5

#03-12 TECHplace II

Singapore 569872

THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

1. INTRODUCTION

The Company proposes to seek the approval of its Shareholders at the 2018 AGM to be held on Thursday, 26 April 2018, at Sapphire III, Orchid Country Club, 1 Orchid Club Road, Singapore 769162 at 9.30 a.m. for the proposed renewal of the Share Buy Back Mandate.

The Company refers to the Notice of AGM accompanying the Annual Report for FY2017 and Resolution 10 in relation to the proposed renewal of the Share Buy Back Mandate under the heading "Special Business" set out in the Notice of AGM.

The purpose of this Appendix is to provide Shareholders with information relating to the Share Buy Back Mandate.

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

This Appendix has been prepared solely for the purposes set out herein and may not be relied upon by any persons (other than the Shareholders) or for any other purpose.

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.

2. THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

2.1 Background

At the 2017 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 2017.

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 2017 AGM and will expire on the date of the 2018 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 2018 AGM). Accordingly, the Directors propose that the Share Buy Back Mandate be renewed at the 2018 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 2018 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 2018 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 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 2018 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 229,975,470 issued Shares as at the Latest Practicable Date, and assuming that between the Latest Practicable Date and the date of the 2018 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 22,997,547 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 Shares are held by the Company as 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 2018 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 a general meeting,

whichever is the earliest.

2.4.3 **Manner of Purchase of Shares**

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

- (a) on-market purchases ("**Market Purchases**"), 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 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, 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 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

“**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 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 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 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, 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) 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 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 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 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 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 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 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 for the purchase of voting rights.

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, the voting rights of such Directors and their concert parties 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 parties acting in concert with them will become obligated to make a mandatory take-over offer by reason only of the buy back of 22,997,547 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 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 FY2017 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 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 earnings 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 229,975,470 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 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 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 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 229,975,470 Shares as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are held by the Company as treasury shares on or prior to the 2018 AGM and there being no subsidiary holdings, 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 22,997,547 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 22,997,547 Shares (representing 10% of its issued Shares as at the Latest Practicable Date) at the Maximum Price of S\$0.344 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\$7,911,156, excluding brokerage, 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 22,997,547 Shares (representing 10% of its issued Shares as at the Latest Practicable Date) at the Maximum Price of S\$0.394 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\$9,061,034, excluding brokerage, 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 acquisition of 22,997,547 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 22,997,547 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 22,997,547 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 FY2017, 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 | 47,051 | 47,051 | 47,051 | 47,051 |
| Treasury Shares | – | (7,911) | – | (7,911) |
| Other Reserves | 247 | 247 | 265 | 265 |
| Retained Earnings | 3,832 | 3,832 | 3,060 | 3,060 |
| Total Shareholders' Equity | 51,130 | 43,219 | 50,376 | 42,465 |
| Intangible Assets | 48 | 48 | 48 | 48 |
| NTA | 51,082 | 43,171 | 50,328 | 42,417 |
| Cash & Cash Equivalents | 21,884 | 13,973 | 18,764 | 10,853 |
| Current Assets | 53,525 | 45,614 | 38,120 | 30,209 |
| Current Liabilities | 18,319 | 18,319 | 7,439 | 7,439 |
| Number of Shares ('000) | 229,975 | 206,977 | 229,975 | 206,977 |
| Financial Ratios | | | | |
| NTA per Share (cents) | 22.21 | 20.86 | 21.88 | 20.49 |
| Debt Equity Ratio (times) | 0.0023 | 0.0027 | 0.0023 | 0.0028 |
| Working Capital Ratio (times) | 2.92 | 2.49 | 5.12 | 4.06 |
| EPS (cents) | 2.61 | 2.90 | 1.36 | 1.51 |

Off-Market Purchases

| | Group | | Company | |
|-----------------------------------|-----------------|----------------|-----------------|----------------|
| | Before Buy-back | After Buy-back | Before Buy-back | After Buy-back |
| S\$'000 | | | | |
| Share Capital | 47,051 | 47,051 | 47,051 | 47,051 |
| Treasury Shares | – | (9,061) | – | (9,061) |
| Other Reserves | 247 | 247 | 265 | 265 |
| Retained Earnings | 3,832 | 3,832 | 3,060 | 3,060 |
| Total Shareholders' Equity | 51,130 | 42,069 | 50,376 | 41,315 |
| Intangible Assets | 48 | 48 | 48 | 48 |
| NTA | 51,082 | 42,021 | 50,328 | 41,267 |
| Cash & Cash Equivalents | 21,884 | 12,823 | 18,764 | 9,703 |
| Current Assets | 53,525 | 44,464 | 38,120 | 29,059 |
| Current Liabilities | 18,319 | 18,319 | 7,439 | 7,439 |
| Number of Shares ('000) | 229,975 | 206,977 | 229,975 | 206,977 |
| Financial Ratios | | | | |
| NTA per Share (cents) | 22.21 | 20.30 | 21.88 | 19.94 |
| Debt Equity Ratio (times) | 0.0023 | 0.0028 | 0.0023 | 0.0028 |
| Working Capital Ratio (times) | 2.92 | 2.43 | 5.12 | 3.91 |
| EPS (cents) | 2.61 | 2.90 | 1.36 | 1.51 |

(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 | 47,051 | 39,140 | 47,051 | 39,140 |
| Treasury Shares | – | – | – | – |
| Other Reserves | 247 | 247 | 265 | 265 |
| Retained Earnings | 3,832 | 3,832 | 3,060 | 3,060 |
| Total Shareholders' Equity | 51,130 | 43,219 | 50,376 | 42,465 |
| Intangible Assets | 48 | 48 | 48 | 48 |
| NTA | 51,082 | 43,171 | 50,328 | 42,417 |
| Cash & Cash Equivalents | 21,884 | 13,973 | 18,764 | 10,853 |
| Current Assets | 53,525 | 45,614 | 38,120 | 30,209 |
| Current Liabilities | 18,319 | 18,319 | 7,439 | 7,439 |
| Number of Shares ('000) | 229,975 | 206,977 | 229,975 | 206,977 |
| Financial Ratios | | | | |
| NTA per Share (cents) | 22.21 | 20.86 | 21.88 | 20.49 |
| Debt Equity Ratio (times) | 0.0023 | 0.0027 | 0.0023 | 0.0028 |
| Working Capital Ratio (times) | 2.92 | 2.49 | 5.12 | 4.06 |
| EPS (cents) | 2.61 | 2.90 | 1.36 | 1.51 |

Off-Market Purchases

| | Group | | Company | |
|-----------------------------------|-----------------|----------------|-----------------|----------------|
| | Before Buy-back | After Buy-back | Before Buy-back | After Buy-back |
| S\$'000 | | | | |
| Share Capital | 47,051 | 37,990 | 47,051 | 37,990 |
| Treasury Shares | – | – | – | – |
| Other Reserves | 247 | 247 | 265 | 265 |
| Retained Earnings | 3,832 | 3,832 | 3,060 | 3,060 |
| Total Shareholders' Equity | 51,130 | 42,069 | 50,376 | 41,315 |
| Intangible Assets | 48 | 48 | 48 | 48 |
| NTA | 51,082 | 42,021 | 50,328 | 41,267 |
| Cash & Cash Equivalents | 21,884 | 12,823 | 18,764 | 9,703 |
| Current Assets | 53,525 | 44,464 | 38,120 | 29,059 |
| Current Liabilities | 18,319 | 18,319 | 7,439 | 7,439 |
| Number of Shares ('000) | 229,975 | 206,977 | 229,975 | 206,977 |
| Financial Ratios | | | | |
| NTA per Share (cents) | 22.21 | 20.30 | 21.88 | 19.94 |
| Debt Equity Ratio (times) | 0.0023 | 0.0028 | 0.0023 | 0.0028 |
| Working Capital Ratio (times) | 2.92 | 2.43 | 5.12 | 3.91 |
| EPS (cents) | 2.61 | 2.90 | 1.36 | 1.51 |

(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 | 47,051 | 47,051 | 47,051 | 47,051 |
| Treasury Shares | – | – | – | – |
| Other Reserves | 247 | 247 | 265 | 265 |
| Retained Earnings | 3,832 | (4,079) | 3,060 | (4,851) |
| Total Shareholders' Equity | 51,130 | 43,219 | 50,376 | 42,465 |
| Intangible Assets | 48 | 48 | 48 | 48 |
| NTA | 51,082 | 43,171 | 50,328 | 42,417 |
| Cash & Cash Equivalents | 21,884 | 13,973 | 18,764 | 10,853 |
| Current Assets | 53,525 | 45,614 | 38,120 | 30,209 |
| Current Liabilities | 18,319 | 18,319 | 7,439 | 7,439 |
| Number of Shares ('000) | 229,975 | 206,977 | 229,975 | 206,977 |
| Financial Ratios | | | | |
| NTA per Share (cents) | 22.21 | 20.86 | 21.88 | 20.49 |
| Debt Equity Ratio (times) | 0.0023 | 0.0027 | 0.0023 | 0.0028 |
| Working Capital Ratio (times) | 2.92 | 2.49 | 5.12 | 4.06 |
| EPS (cents) | 2.61 | 2.90 | 1.36 | 1.51 |

Off-Market Purchases

| | Group | | Company | |
|-----------------------------------|-----------------|----------------|-----------------|----------------|
| | Before Buy-back | After Buy-back | Before Buy-back | After Buy-back |
| S\$'000 | | | | |
| Share Capital | 47,051 | 47,051 | 47,051 | 47,051 |
| Treasury Shares | – | – | – | – |
| Other Reserves | 247 | 247 | 265 | 265 |
| Retained Earnings | 3,832 | (5,229) | 3,060 | (6,001) |
| Total Shareholders' Equity | 51,130 | 42,069 | 50,376 | 41,315 |
| Intangible Assets | 48 | 48 | 48 | 48 |
| NTA | 51,082 | 42,021 | 50,328 | 41,267 |
| Cash & Cash Equivalents | 21,884 | 12,823 | 18,764 | 9,703 |
| Current Assets | 53,525 | 44,464 | 38,120 | 29,059 |
| Current Liabilities | 18,319 | 18,319 | 7,439 | 7,439 |
| Number of Shares ('000) | 229,975 | 206,977 | 229,975 | 206,977 |
| Financial Ratios | | | | |
| NTA per Share (cents) | 22.21 | 20.30 | 21.88 | 19.94 |
| Debt Equity Ratio (times) | 0.0023 | 0.0028 | 0.0023 | 0.0028 |
| Working Capital Ratio (times) | 2.92 | 2.43 | 5.12 | 3.91 |
| EPS (cents) | 2.61 | 2.90 | 1.36 | 1.51 |

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 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 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 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 the purchase, 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 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 or controlling shareholders of the Company or its subsidiary companies, as well as the associates of such persons.

As at the Latest Practicable Date, approximately 40.25% 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 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 33.61%.

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, *inter alia*, details of 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. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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⁾ | 4,984,118 | 120,627,910 | 125,612,028 | 54.62 | 60.69 |
| Lim Chin Tong | 1,804,000 | – | 1,804,000 | 0.78 | 0.87 |
| Lee Yong Guan | 461,000 | – | 461,000 | 0.20 | 0.22 |
| Pow Tien Tee | 150,000 | 9,000 | 159,000 | 0.07 | 0.08 |
| Kam Boon Cheong | 125,000 | 1,145,000 | 1,270,000 | 0.55 | 0.61 |
| Lim Chin Hong | – | – | – | – | – |
| Substantial shareholders | | | | | |
| MIT Technologies Pte Ltd | 120,627,910 | – | 120,627,910 | 52.45 | 58.28 |
| Kwong Kim Mone ⁽³⁾ | 4,984,118 | 120,627,910 | 125,612,028 | 54.62 | 60.69 |
| Kwong Kim Ho ⁽³⁾ | – | 120,627,910 | 120,627,910 | 52.45 | 58.28 |

Notes:

⁽¹⁾ As a percentage of the issued share capital of the Company comprising 229,975,470 Shares as at the Latest Practicable Date.

⁽²⁾ As a percentage of the issued share capital of the Company comprising 206,977,923 Shares (assuming that the Company purchases or acquires the maximum number of 22,997,547 Shares as permitted under the Share Buy Back Mandate).

⁽³⁾ Mr Kwong Kim Mone and Ms 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. ANNUAL GENERAL MEETING

The 2018 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 Thursday, 26 April 2018, 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 10 relating to the proposed renewal of the Share Buy Back Mandate.

5. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2018 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 Ave 5, #03-12, TECHplace II, Singapore 569872 not less than 48 hours before the time appointed for holding the 2018 AGM. The completion and lodgment of the proxy form by a Shareholder will not prevent him from attending and voting at the 2018 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 2018 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 2018 AGM.

A Depositor shall not be regarded as a member of the Company entitled to attend the 2018 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 2018 AGM, as certified by CDP to the Company.

6. DIRECTORS' RECOMMENDATION

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 10 relating to the proposed renewal of the Share Buy Back Mandate at the 2018 AGM.

7. 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 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.

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

Kwong Kim Mone
Chairman and Managing Director

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