



MIYOSHI PRECISION LIMITED

Company Registration No. 198703979K
(Incorporated In The Republic of Singapore)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Miyoshi Precision Limited ("the Company") will be held at No. 5 Second Chin Bee Road Singapore 618772 on Thursday, 27 December 2007 at 3.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

- To receive and adopt the Directors' Report and the Audited Financial Statements of the Company for the year ended 31 August 2007 together with the Independent Auditors' Report thereon. **(Resolution 1)**
- To declare a final tax-exempt (one-tier) dividend of 0.4 Singapore cent per share and final special tax-exempt (one-tier) dividend of 0.1 Singapore cent per share for the financial year ended 31 August 2007 (2006: First and final dividend of 0.4 Singapore cent per share and a special dividend of 0.2 Singapore cent per share). **(Resolution 2)**
- To re-elect the following Directors of the Company retiring pursuant to Article 89 of the Articles of Association of the Company:
 - Mr Masayoshi Taira **(Resolution 3)**
 - Mr U Kean Seng **(Resolution 4)**

Mr Masayoshi Taira will, upon re-election as Director of the Company, remain as member of the Audit Committee and Remuneration Committee and will be considered non-independent.

Mr U Kean Seng will, upon re-election as a Director of the Company, remain as Chairman of Nominating Committee and Remuneration Committee and member of the Audit Committee and will be considered independent.
- To approve the payment of Directors' fees of S\$97,500 for the year ended 31 August 2007 (2006: S\$72,083). **(Resolution 5)**
- To re-appoint BDO Raffles as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**
- To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

- Authority to issue shares up to 50 per centum (50%) of the issued shares in the capital of the Company**
That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors of the Company be authorised and empowered to:
 - issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or
 - make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares.

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

 - (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force, provided that:
 - the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
 - (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - new shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and
 - any subsequent consolidation or subdivision of shares;
 - in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Articles of Association of the Company; and
 - unless revoked or varied by the Company in a general meeting, such authority shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments. **(Resolution 7)**
[See Explanatory Note (i)]
 - Authority to issue shares under the Miyoshi Employees' Share Option Scheme**
That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be authorised and empowered to offer and grant options under the Miyoshi Employees' Share Option Scheme ("the Scheme") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme shall not exceed fifteen per centum (15%) of the issued shares in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. **(Resolution 8)**
[See Explanatory Note (ii)]
 - Renewal of Shareholders' Mandate for Interested Person Transactions**
That for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited:
 - approval be given for the renewal of the mandate for the Company, its subsidiaries and target associated companies or any of them to enter into any of the transactions falling within the types of Interested Person Transactions as set out on pages 10 to 12 of the Company's Circular dated 26 April 2004 ("Circular") with any party who is of the class of Interested Persons described in the Circular, provided that such transactions are carried out in the normal course of business, at arm's length and on commercial terms and in accordance with the guidelines of the Company for Interested Person Transactions as set out in the Company's Circular (the "Shareholders' Mandate");
 - the Shareholders' Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier; and
 - authority be given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary, desirable or expedient to give effect to the Shareholders' Mandate as they may think fit. [See Explanatory Note (iii)] **(Resolution 9)**
 - Renewal of Share Purchase Mandate**
That for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per centum (10%) of the issued shares in the capital of the Company (as ascertained as at the date of Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price as defined in the Appendix to AGM Notice to Shareholders dated 7 December 2007 ("Appendix"), in accordance with the "Authority and Limits of the Shares Purchase Mandate" set out in the Appendix, and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. **(Resolution 10)**
[See Explanatory Note (iv)]

By Order of the Board

Tan Cher Liang / Tan San-Ju
Secretaries
Singapore, 7 December 2007

Explanatory Notes:

- The Ordinary Resolution 7 in item 7 above, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the issued shares in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.
For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the issued shares in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent consolidation or subdivision of shares.
- The Ordinary Resolution 8 in item 8 above, if passed, will empower the Directors of the Company, from the date of this Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in total (for the entire duration of the Scheme) fifteen per centum (15%) of the issued shares in the capital of the Company from time to time.
- The Ordinary Resolution 9 proposed in item 9 above, if passed, will authorise the Interested Person Transactions as described in the Circular and recurring in the year and will empower the Directors of the Company to do all acts necessary to give effect to the Shareholders' Mandate. This authority will, unless previously revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held whichever is the earlier.
- The Ordinary Resolution 10 proposed in item 10 above, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10%) of the issued shares in the capital of the Company at the Maximum Price as defined in the Appendix to AGM Notice to Shareholders dated 7 December 2007 ("Appendix"). The rationale for, the authority and limitation on, the source of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 August 2007 are set out in greater detail in Appendix.

Notes:

- A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Member of the Company.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 5 Second Chin Bee Road, Singapore 618772 not less than forty-eight (48) hours before the time appointed for holding the Meeting.



Miyoshi Precision Limited

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**APPENDICES TO THE NOTICE OF ANNUAL GENERAL MEETING
DATED 7 DECEMBER 2007**

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APPENDIX A

PROPOSED RENEWAL OF THE SHARES PURCHASE MANDATE



MIYOSHI PRECISION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198703979K)

Directors:

Sin Kwong Wah, Andrew (Chief Executive Officer)
Tan Kay Guan (Chief Operating Officer)
Gan Yoke Fong, Karen (Executive Director)
Masayoshi Taira (Non-Executive Chairman)
U Kean Seng (Independent Director)
Tay Peng Lim (Independent Director)

Registered Office:

No. 5 Second Chin Bee Road
Singapore 618772

Date: 7 December 2007

To: The Shareholders of Miyoshi Precision Limited

Dear Sir/Madam

APPENDIX RELATING TO THE PROPOSED RENEWAL OF THE SHARES PURCHASE MANDATE

1. BACKGROUND

Miyoshi Precision Limited (the "**Company**") refers to:

- (a) the Notice of Annual General Meeting of the Company ("**AGM**") dated 7 December 2007 ("**2007 AGM Notice**") issued to the shareholders of the Company (collectively, the "**Shareholders**" and each, a "**Shareholder**") convening the AGM to be held on 27 December 2007 ("**2007 AGM**"), accompanying the Annual Report of the Company for the financial year ended 31 August 2007; and
- (b) the proposed Ordinary Resolution 10 in the 2007 AGM Notice ("**Resolution 10**") relating to the renewal of a general and unconditional mandate (the "**Shares Purchase Mandate**") to authorise the directors of the Company (collectively, the "**Directors**" and each, a "**Director**") to purchase or acquire the issued ordinary shares in the capital of the Company ("**Shares**"), in accordance with section 2.4 entitled "Authority and Limits of the Shares Purchase Mandate" of this Appendix.

2. THE PROPOSED RENEWAL OF THE SHARES PURCHASE MANDATE

2.1 The Existing Shares Purchase Mandate

The Shares Purchase Mandate was first approved by Shareholders at the Extraordinary General Meeting ("**EGM**") of the Company held on 25 January 2002.

The rationale for, the authority and limitations on, and the financial effects of, the Shares Purchase Mandate were set out in the "Guidelines on Shares Purchases" as set out in Appendix 1 of the Company's circular to Shareholders dated 8 January 2002.

The Shares Purchase Mandate was renewed at previous AGMs held on 24 January 2003, 29 January 2004, 29 December 2004, 28 December 2005 and 27 December 2006.

2.2 Proposed Renewal of the Shares Purchase Mandate

The Shares Purchase Mandate was expressed to continue until the earlier of:

- (a) the conclusion of the next AGM;
- (b) the expiration of the period within which the next AGM is required by law to be held; or
- (c) the time when the Shares Purchase Mandate is revoked or varied by an ordinary resolution of Shareholders in general meeting.

The Shares Purchase Mandate will therefore expire at the conclusion of the 2007 AGM. Accordingly, the Directors propose to seek Shareholders' approval for the renewal of the Shares Purchase Mandate set out in Resolution 10 at the 2007 AGM. If Resolution 10 is approved at the 2007 AGM, the authority conferred by the Shares Purchase Mandate shall continue in force from the date of the conclusion of the 2007 AGM until the date when the next AGM is held or is required by law to be held, whichever is the earlier, unless such authority is revoked or varied by an ordinary resolution of Shareholders in any general meeting of the Company.

The purpose of this Appendix is to provide Shareholders with information relating to, and to seek their approval for, Resolution 10 at the 2007 AGM.

The Singapore Exchange Securities Trading Limited ("SGX-ST") assumes no responsibility for the accuracy of any of the statements made, opinions expressed or reports contained in this Appendix. If a Shareholder is in any doubt as to the course of action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

2.3 Rationale for the proposed renewal of the Shares Purchase Mandate

Short term speculation may at times cause the market price of the Shares to be depressed below the true value of the Company and its subsidiaries (collectively, the "**Group**"). The Shares Purchase Mandate will provide the Directors with the means to restore investors' confidence and to protect existing Shareholders' investments in the Company in a depressed share-price situation through judicious Shares purchases or acquisitions to enhance the earnings per Share and/or the net asset value per Share. The Shares purchases or acquisitions will enhance the net asset value per Share if the Shares purchases or acquisitions are made at a price below the net asset value per Share.

The Shares Purchase Mandate will also provide the Company with an expedient and cost-effective mechanism to facilitate the return of surplus cash reserves to Shareholders, as and when the Directors are of the view that this would be in the best interests of the Company and Shareholders.

The Directors will only make a Shares purchase or acquisition as and when the circumstances permit and only if the Directors are of the view that such purchases or acquisitions are in the best interests of the Company and Shareholders. The Directors will decide whether to purchase or acquire Shares only after taking into account, amongst other things, the market conditions at such time, the Company's financial condition and whether such purchases or acquisitions will cause the Company to become insolvent (i.e. the Company is unable to pay its debts as they become due in the ordinary course of business, or the value of the Company's assets is less than the value of its liabilities including contingent liabilities), and whether such purchases or acquisitions represent the most efficient and cost-effective approach to enhance Share value. Shares purchases or acquisitions will only be made if the Directors believe that such purchases or acquisitions are likely to benefit the Company and increase economic value for Shareholders.

2.4 Authority and Limits of the Shares Purchase Mandate

The authority and limits placed on the purchase or acquisition of Shares by the Company pursuant to the Shares Purchase Mandate (each a “**Shares Purchase**”, and collectively, the “**Shares Purchases**”), if renewed at the 2007 AGM, are substantially the same as were previously approved by Shareholders, and are as follows:

(a) 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 which may be purchased or acquired by the Company pursuant to the Shares Purchase Mandate is such number of Shares representing not more than ten per cent. (10%) of the total number of issued Shares ascertained as at the date of the last AGM held before the resolution authorising the Shares Purchase Mandate or as at the date the resolution authorising the same is passed (whichever is higher).

Any Shares which are held as treasury shares (“**Treasury Shares**”) will be disregarded for purposes of computing the ten per cent. (10%) limit. Please refer to section 2.5 of this Appendix for more details on Treasury Shares.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at 22 November 2007, being the latest practicable date prior to the printing of this Appendix (“**Latest Practicable Date**”), of S\$37,388,716 comprising 420,669,490 Shares, and assuming that no further Shares are issued on or prior to the 2007 AGM, not more than 42,066,949 Shares (representing ten per cent. (10%) of the Shares as at the date of the 2007 AGM) may be purchased or acquired by the Company pursuant to the Shares Purchase Mandate.

(b) Duration of Authority

The Shares Purchases may be made, at any time and from time to time, from the date of the EGM up to the earlier of:

- (i) the conclusion of the next AGM;
- (ii) the expiration of the period within which the next AGM is required by law to be held;
or
- (iii) the time when the Shares Purchase Mandate is varied or revoked by an ordinary resolution of Shareholders in general meeting.

The authority conferred on the Directors by the Shares Purchase Mandate to purchase or acquire Shares may be renewed at the next AGM.

(c) Manner of Purchase of Shares

Shares Purchases can be effected by the Company in either one of the following two ways or both:

- (i) by way of market purchases of Shares on the Official List of the SGX-ST, which means a purchase transacted through the Central Limit Order Book trading system (“**Market Purchase**”); and/or
- (ii) by way of off-market acquisitions on an equal access scheme in accordance with section 76C of the Companies Act (Cap. 50) (the “**Companies Act**”) (“**Off-Market Purchase**”).

The Directors may impose such terms and conditions which are not inconsistent with the Shares Purchase Mandate, the Listing Manual of the SGX-ST (as modified or amended from time to time) (the "**Listing Manual**") and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes.

(d) Off-Market Purchase

Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (i) offers for the purchase or acquisition of issued 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; and
- (iii) the terms of all the offers are the same, except that there shall be disregarded:
 - (aa) differences in consideration attributable to the fact that an offer relates to Shares with different dividend entitlements;
 - (bb) (if applicable) differences in consideration attributable to the fact that an offer relates to Shares with different amounts remaining unpaid; and
 - (cc) differences in an offer introduced solely to ensure that each person is left with a whole number of Shares.

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

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Shares Purchase;
- (iv) the consequences, if any, of the Shares Purchase that will arise under the Singapore Code on Take-over and Mergers (as modified or amended from time to time) (the "**Take-over Code**") or other applicable take-over rules;
- (v) whether the Shares Purchase, if made, would have any effect on the listing of the Shares on the SGX-ST; and
- (vi) details of any Shares Purchases in the previous twelve (12) months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions, where relevant, and the total consideration paid for the purchases or acquisitions.

(e) Maximum Purchase Price

The purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) to be paid for a Share shall not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and

- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 105% of the Average Closing Price,

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

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 (being a day on which the SGX-ST is open for securities trading (“**Market Day**”)), on which transactions in the Shares were recorded (i) preceding the day of the Market Purchase or, as the case may be, (ii) preceding the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period; and

“**day of making of the offer**” means the day 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 Purchased Shares

(a) Cancellation of Shares

Shares which are purchased or acquired by the Company shall, unless held as Treasury Shares to the extent permitted under the Companies Act (as set out below), be deemed cancelled immediately on purchase, and all rights and privileges attached to these Shares 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.

(b) 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:

(i) **Maximum Holdings**

The number of Shares held as Treasury Shares cannot at any time exceed ten per cent. (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 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 of the Company's assets 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:

- (aa) sell the Treasury Shares for cash;
- (bb) transfer the Treasury Shares for the purposes of or pursuant to an employees' share scheme;
- (cc) transfer the Treasury Shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (dd) cancel the Treasury Shares; or
- (ee) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister of Finance.

2.6 Source of Funds

- (a) The Company may only apply funds for a Shares Purchase in accordance with its Articles of Association and the applicable laws in Singapore.
- (b) Under the Companies Act, the Company may purchase or acquire its Shares out of capital (including share premium account and capital redemption reserve), as well as from distributable profits, so long as the Company is solvent at the time of the Shares Purchase.
- (c) The Company may not purchase or acquire its Shares for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.
- (d) The Company intends to use its internal sources of funds to finance purchases or acquisitions of its Shares. The Company does not intend to obtain or incur any borrowings to finance purchases or acquisitions of its Shares.

The Directors do not propose to exercise the Shares Purchase Mandate in a manner and to such extent that the working capital requirements of the Group would be materially affected.

3. FINANCIAL EFFECTS

The financial effects on the Company and the Group are based on the audited financial statements of the Company and the Group for the financial year ended 31 August 2007, and the assumptions set out below.

The Company will take into account both financial and non-financial factors (for example, the market conditions at such time, the Company's financial condition and the performance of the Shares) in assessing the relative impact of any Shares Purchase before it is made.

3.1 Purchase or Acquisition out of Profits and/or Capital

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

3.2 Number of Shares Acquired or Purchased

Based on the number of issued and paid-up 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 2007 AGM, the purchase by the Company of up to the maximum limit of ten per cent. (10%) of its issued Shares will result in the purchase or acquisition of 42,066,949 Shares.

3.3 Maximum Price Paid for Shares Acquired or Purchased

In the case of Market Purchases or Off-Market Purchases by the Company and assuming that the Company purchases or acquires 42,066,949 Shares at the maximum price of S\$0.218 for one Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 42,066,949 Shares is S\$9,170,595.

3.4 Illustrative Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Shares Purchase Mandate will depend on, inter alia, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired and the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

For illustrative purposes only and on the bases of the assumptions set out in sections 3.2 and 3.3 above, the financial effects on the audited financial statements of the Company and the Group for the financial year ended 31 August 2007 are set out below and assumes the following:

- (a) purchase or acquisition of 42,066,949 Shares by the Company pursuant to the Shares Purchase Mandate by way of Market Purchases made entirely out of capital and cancelled;
- (b) purchase or acquisition of 42,066,949 Shares by the Company pursuant to the Shares Purchase Mandate by way of Market Purchases made entirely out of capital and held in treasury;
- (c) purchase or acquisition of 42,066,949 Shares by the Company pursuant to the Shares Purchase Mandate by way of Market Purchases made entirely out of profits and cancelled;
- (d) purchase or acquisition of 42,066,949 Shares by the Company pursuant to the Shares Purchase Mandate by way of Market Purchases made entirely out of profits and held in treasury;
- (e) purchase or acquisition of 42,066,949 Shares by the Company pursuant to the Shares Purchase Mandate by way of Off-Market Purchases made entirely out of capital and cancelled;
- (f) purchase or acquisition of 42,066,949 Shares by the Company pursuant to the Shares Purchase Mandate by way of Off-Market Purchases made entirely out of capital and held in treasury;
- (g) purchase or acquisition of 42,066,949 Shares by the Company pursuant to the Shares Purchase Mandate by way of Off-Market Purchases made entirely out of profits and cancelled; and
- (h) purchase or acquisition of 42,066,949 Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases made entirely out of profits and held in treasury.

(a) **Market Purchases made entirely out of capital and cancelled**

	← Group →		← Company →	
	Before the Shares Purchase (\$'000)	After the Shares Purchase (\$'000)	Before the Shares Purchase (\$'000)	After the Shares Purchase (\$'000)
Audited as at 31 August 2007				
Shareholders' funds	61,931	52,760	54,665	45,494
Net tangible assets	61,931	52,760	54,665	45,494
Current assets	83,495	74,324	46,375	37,204
Current liabilities	51,088	51,088	32,235	32,235
Cash & cash equivalents	25,742	16,571	10,838	1,667
Short-term investments	-	-	-	-
Number of Shares ('000)	420,669	378,603	420,669	378,603
Financial Ratios				
Net tangible assets per Share (cents)	14.72	13.94	12.99	12.02
Earnings per Share (cents)	3.62	4.03	1.96	2.18
Gearing ratio (times) ⁽¹⁾	0.21	0.24	0.16	0.20
Current ratio (times) ⁽²⁾	1.63	1.45	1.44	1.15

(b) **Market Purchases made entirely out of capital and held in treasury**

	← Group →		← Company →	
	Before the Shares Purchase (\$'000)	After the Shares Purchase (\$'000)	Before the Shares Purchase (\$'000)	After the Shares Purchase (\$'000)
Audited as at 31 August 2007				
Shareholders' funds	61,931	52,760	54,665	45,494
Net tangible assets	61,931	52,760	54,665	45,494
Current assets	83,495	74,324	46,375	37,204
Current liabilities	51,088	51,088	32,235	32,235
Cash & cash equivalents	25,742	16,571	10,838	1,667
Short-term investments	-	-	-	-
Number of Shares ('000) ⁽³⁾	420,669	378,603	420,669	378,603
Financial Ratios				
Net tangible assets per Share (cents)	14.72	13.94	12.99	12.02
Earnings per Share (cents)	3.62	4.03	1.96	2.18
Gearing ratio (times) ⁽¹⁾	0.21	0.24	0.16	0.20
Current ratio (times) ⁽²⁾	1.63	1.45	1.44	1.15

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

	← Group →		← Company →	
	Before the Shares Purchase (\$'000)	After the Shares Purchase (\$'000)	Before the Shares Purchase (\$'000)	After the Shares Purchase (\$'000)
Audited as at 31 August 2007				
Shareholders' funds	61,931	52,760	54,665	45,494
Net tangible assets	61,931	52,760	54,665	45,494
Current assets	83,495	74,324	46,375	37,204
Current liabilities	51,088	51,088	32,235	32,235
Cash & cash equivalents	25,742	16,571	10,838	1,667
Short-term investments	-	-	-	-
Number of Shares ('000)	420,669	378,603	420,669	378,603
Financial Ratios				
Net tangible assets per Share (cents)	14.72	13.94	12.99	12.02
Earnings per Share (cents)	3.62	4.03	1.96	2.18
Gearing ratio (times) ⁽¹⁾	0.21	0.24	0.16	0.20
Current ratio (times) ⁽²⁾	1.63	1.45	1.44	1.15

(d) **Market Purchases made entirely out of profits and held in treasury**

	← Group →		← Company →	
	Before the Shares Purchase (\$'000)	After the Shares Purchase (\$'000)	Before the Shares Purchase (\$'000)	After the Shares Purchase (\$'000)
Audited as at 31 August 2007				
Shareholders' funds	61,931	52,760	54,665	45,494
Net tangible assets	61,931	52,760	54,665	45,494
Current assets	83,495	74,324	46,375	37,204
Current liabilities	51,088	51,088	32,235	32,235
Cash & cash equivalents	25,742	16,571	10,838	1,667
Short-term investments	-	-	-	-
Number of Shares ('000) ⁽³⁾	420,669	378,603	420,669	378,603
Financial Ratios				
Net tangible assets per Share (cents)	14.72	13.94	12.99	12.02
Earnings per Share (cents)	3.62	4.03	1.96	2.18
Gearing ratio (times) ⁽¹⁾	0.21	0.24	0.16	0.20
Current ratio (times) ⁽²⁾	1.63	1.45	1.44	1.15

(e) **Off-Market Purchases made entirely out of capital and cancelled**

	← Group →		← Company →	
	Before the Shares Purchase (\$'000)	After the Shares Purchase (\$'000)	Before the Shares Purchase (\$'000)	After the Shares Purchase (\$'000)
Audited as at 31 August 2007				
Shareholders' funds	61,931	52,760	54,665	45,494
Net tangible assets	61,931	52,760	54,665	45,494
Current assets	83,495	74,324	46,375	37,204
Current liabilities	51,088	51,088	32,235	32,235
Cash & cash equivalents	25,742	16,571	10,838	1,667
Short-term investments	-	-	-	-
Number of Shares ('000)	420,669	378,603	420,669	378,603
Financial Ratios				
Net tangible assets per Share (cents)	14.72	13.94	12.99	12.02
Earnings per Share (cents)	3.62	4.03	1.96	2.18
Gearing ratio (times) ⁽¹⁾	0.21	0.24	0.16	0.20
Current ratio (times) ⁽²⁾	1.63	1.45	1.44	1.15

(f) **Off-Market Purchases made entirely out of capital and held in treasury**

	← Group →		← Company →	
	Before the Shares Purchase (\$'000)	After the Shares Purchase (\$'000)	Before the Shares Purchase (\$'000)	After the Shares Purchase (\$'000)
Audited as at 31 August 2007				
Shareholders' funds	61,931	52,760	54,665	45,494
Net tangible assets	61,931	52,760	54,665	45,494
Current assets	83,495	74,324	46,375	37,204
Current liabilities	51,088	51,088	32,235	32,235
Cash & cash equivalents	25,742	16,571	10,838	1,667
Short-term investments	-	-	-	-
Number of Shares ('000) ⁽³⁾	420,669	378,603	420,669	378,603
Financial Ratios				
Net tangible assets per Share (cents)	14.72	13.94	12.99	12.02
Earnings per Share (cents)	3.62	4.03	1.96	2.18
Gearing ratio (times) ⁽¹⁾	0.21	0.24	0.16	0.20
Current ratio (times) ⁽²⁾	1.63	1.45	1.44	1.15

(g) **Off-Market Purchases made entirely out of profits and cancelled**

	← Group →		← Company →	
	Before the Shares Purchase (S\$'000)	After the Shares Purchase (S\$'000)	Before the Shares Purchase (S\$'000)	After the Shares Purchase (S\$'000)
Audited as at 31 August 2007				
Shareholders' funds	61,931	52,760	54,665	45,494
Net tangible assets	61,931	52,760	54,665	45,494
Current assets	83,495	74,324	46,375	37,204
Current liabilities	51,088	51,088	32,235	32,235
Cash & cash equivalents	25,742	16,571	10,838	1,667
Short-term investments	-	-	-	-
Number of Shares ('000)	420,669	378,603	420,669	378,603
Financial Ratios				
Net tangible assets per Share (cents)	14.72	13.94	12.99	12.02
Earnings per Share (cents)	3.62	4.03	1.96	2.18
Gearing ratio (times) ⁽¹⁾	0.21	0.24	0.16	0.20
Current ratio (times) ⁽²⁾	1.63	1.45	1.44	1.15

(h) **Off-Market Purchases made entirely out of profits and held in treasury**

	← Group →		← Company →	
	Before the Shares Purchase (S\$'000)	After the Shares Purchase (S\$'000)	Before the Shares Purchase (S\$'000)	After the Shares Purchase (S\$'000)
Audited as at 31 August 2007				
Shareholders' funds	61,931	52,760	54,665	45,494
Net tangible assets	61,931	52,760	54,665	45,494
Current assets	83,495	74,324	46,375	37,204
Current liabilities	51,088	51,088	32,235	32,235
Cash & cash equivalents	25,742	16,571	10,838	1,667
Short-term investments	-	-	-	-
Number of Shares ('000) ⁽³⁾	420,669	378,603	420,669	378,603
Financial Ratios				
Net tangible assets per Share (cents)	14.72	13.94	12.99	12.02
Earnings per Share (cents)	3.62	4.03	1.96	2.18
Gearing ratio (times) ⁽¹⁾	0.21	0.24	0.16	0.20
Current ratio (times) ⁽²⁾	1.63	1.45	1.44	1.15

Notes:

- (1) Gearing ratio is the sum of bank loans (short-term) plus bank loans (long-term) plus finance leases (short term) plus finance leases (long term) plus bank overdrafts divided by shareholders' funds.
- (2) Current ratio equals current assets divided by current liabilities.
- (3) Excludes 42,066,949 Shares that are held as treasury and is computed based on 420,669,490 Shares in issue as at the Latest Practicable Date.

Shareholders should note that the financial effects illustrated above are for illustration purposes only. In particular, it is important to note that the analysis above is based on historical 2007 numbers, and is not necessarily representative of future financial performance of the Company. Although the Shares Purchase Mandate would authorise the Company to purchase or acquire up to ten per cent. (10%) of its total issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire ten per cent. (10%) of its total issued Shares in full. In addition, the Company may cancel all or part of the issued Shares it purchased or acquired or hold all or part of the issued Shares it purchased or acquired in treasury.

4. NOTIFICATION TO THE ACCOUNTING AND CORPORATE REGULATORY AUTHORITY

Within 30 days of the passing of a Shareholders' resolution to approve any Shares Purchase by the Company, the Company shall lodge a copy of such resolution with the Accounting and Corporate Regulatory Authority ("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 shall include, inter alia, details of the date 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 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.

5. NOTIFICATION TO THE SGX-ST

In accordance with the Listing Manual, the Company shall notify the SGX-ST in respect of any purchases or acquisitions of its Shares in the relevant form prescribed by the SGX-ST from time to time, not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of the 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 Rule 886 of the Listing Manual.

6. SUSPENSION OF PURCHASE

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time, 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 Shares Purchases pursuant to the Shares Purchase 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 Directors until such price-sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by the SGX-ST, the Company will not purchase or acquire any Shares through Market Purchases during the period of one (1) month immediately preceding the announcement of the Company's interim (half-year) results or the annual (full-year) results, as the case may be.

7. LISTING STATUS ON THE SGX-ST

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

Rule 723 of the Listing Manual requires a Singapore listed company to ensure that at least ten per cent. (10%) of equity securities (excluding preference shares and convertible equity securities) in a class that is listed, is at all times held by the public. The “public”, as defined in the Listing Manual, refers to persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Listing Manual) of such persons.

As at the Latest Practicable Date, there are approximately 148,866,240 Shares in the hands of the public, representing approximately 35.39% of the total Shares issued by the Company. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake Shares Purchases of up to the full ten per cent. (10%) limit pursuant to the Shares Purchase Mandate without adversely affecting the listing status of its Shares on the SGX-ST and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading of the Shares.

8. SHARES PURCHASES DURING PREVIOUS TWELVE MONTHS

The Company has not made any Shares Purchase pursuant to the Shares Purchase Mandate in the twelve (12) months immediately preceding the Latest Practicable Date.

9. TAKE-OVER IMPLICATIONS UNDER THE TAKE-OVER CODE

Appendix 2 of the Take-Over Code (“**Appendix 2**”) contains the Share Buyback Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

9.1 Obligations to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code (“**Rule 14**”). If such increase results in a change of effective control, or as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14.

9.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, inter alia, the following individuals and companies to be persons acting in concert with each other:

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and

- (b) a company with its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other.

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

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

9.3 Effect of Rule 14 and Appendix 2

In general terms, the effect of Rule 14 and Appendix 2 is that:

- (a) unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall 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 one per cent. (1%) in any period of six months; and
- (b) 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 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Shares Purchase 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 pursuant to the Shares Purchase Mandate are advised to consult their professional advisers and/or the Securities Industry Council ("SIC") and/or other relevant authorities at the earliest opportunity.

9.4 Directors' and Substantial Shareholders' Interests

The following sets out the direct and deemed interests of the Directors and Shareholders who have an interest of not less than five per cent. (5%) of the issued Shares ("**Substantial Shareholders**") as set out in the Register of Directors and the Register of Substantial Shareholders of the Company respectively:

- (a) as at the Latest Practicable Date ("**Before Shares Purchase**"); and
- (b) upon the Company undertaking Shares Purchases of up to the maximum limit of ten per cent. (10%) of its issued Shares as permitted by the Shares Purchase Mandate ("**After Shares Purchase**"),

assuming that there is no change in the number of Shares held by the Directors and Substantial Shareholders of which they are deemed to be interested in.

	← Before Shares Purchase →						← After Shares Purchase →					
	Direct Interest		Deemed Interest		Total Interest		Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors												
Sin Kwong Wah, Andrew	77,825,000	18.50	61,244,000	14.56	139,069,000	33.06	77,825,000	20.56	61,244,000	16.18	139,069,000	36.73
Masayoshi Taira	-	-	104,509,290	24.84	104,509,290	24.84	-	-	104,509,290	27.60	104,509,290	27.60
Tan Kay Guan	6,096,000	1.45	3,876,000	0.92	9,972,000	2.37	6,096,000	1.61	3,876,000	1.02	9,972,000	2.63
Gan Yoke Fong, Karen	18,252,960	4.34	-	-	18,252,960	4.34	18,252,960	4.82	-	-	18,252,960	4.82
Substantial Shareholders												
Miyoshi Industry Co., Ltd	104,509,290	24.84	-	-	104,509,290	24.84	104,509,290	27.60	-	-	104,509,290	27.60
Pek Yee Chew	45,455,000	10.81	93,614,000	22.25	139,069,000	33.06	45,455,000	12.01	93,614,000	24.73	139,069,000	36.73

Notes:

- (1) Mr Sin Kwong Wah, Andrew and Mdm Pek Yee Chew are husband and wife. Accordingly, as at the Latest Practicable Date:
- (a) Mr Sin Kwong Wah, Andrew is deemed interested in approximately 10.81% of the issued Shares held by Mdm Pek Yee Chew; and
- (b) Mdm Pek Yee Chew is deemed interested in approximately 18.50% of the issued Shares held by Mr Sin Kwong Wah, Andrew.

As at the Latest Practicable Date, 15,000,000 Shares are registered in the Depository Register in the name of United Overseas Bank Nominees Pte Ltd and 614,000 Shares are registered in the Depository Register in the name of DBS Nominees Pte Ltd, which are held on behalf of Mr Sin Kwong Wah, Andrew. As at the Latest Practicable Date, 175,000 Shares are registered in the Depository Register in the name of DBS Nominees Pte Ltd, which are held on behalf of Mdm Pek Yee Chew. Accordingly, as at the Latest Practicable Date:

- (a) Mr Sin Kwong Wah, Andrew is deemed interested in approximately 3.57% of the issued Shares held by United Overseas Bank Nominees Pte Ltd and approximately 0.15% of the issued Shares held by DBS Nominees Pte Ltd;
- (b) Mdm Pek Yee Chew is deemed interested in approximately 0.04% of the issued Shares held by DBS Nominees Pte Ltd; and
- (c) by virtue of the spousal relationship between Mr Sin Kwong Wah, Andrew and Mdm Pek Yee Chew, Mr Sin Kwong Wah, Andrew is accordingly deemed interested in approximately 3.57% of the issued Shares held by United Overseas Bank Nominees Pte Ltd and approximately 0.15% of the issued Shares held by DBS Nominees Pte Ltd, and Mdm Pek Yee Chew is accordingly deemed interested in approximately 0.15% of the issued shares in DBS Nominees Pte. Ltd.
- (2) As at the Latest Practicable Date, Mr Masayoshi Taira holds approximately 10.68% of the issued shares in the capital of Miyoshi Industry Co., Ltd ("**MIC**"). Mr Kichio Taira, the father of Mr Masayoshi Taira, holds approximately 24.63% of the issued shares in the capital of MIC. By virtue of his father's shareholdings in MIC, Mr Masayoshi Taira is accordingly deemed interested in approximately 24.84% of the issued Shares held by MIC.

As at the Latest Practicable Date, and for the purpose of the Take-over Code, as Mr Sin Kwong Wah, Andrew is a Director and by virtue of the spousal relationship of Mr Sin Kwong Wah, Andrew and Mdm Pek Yee Chew, Mr Sin Kwong Wah, Andrew and Mdm Pek Yee Chew and their concert parties are presumed to be parties acting in concert with each other in respect of their aggregate direct and their concert parties interests of approximately 33.06% of the issued Shares (collectively, "**Concert Party Group A**").

In the event the Company undertakes any Shares Purchases of up to the maximum limit of ten per cent. (10%) of its issued Shares as permitted by the Shares Purchase Mandate, the aggregate direct interests of Concert Party Group A in the issued Shares will increase from approximately 33.06% to approximately 36.73%.

Accordingly, the voting rights (within the meaning of the Take-over Code) of Concert Party Group A may thus be increased by more than one per cent. (1%) within a six-month period and Concert Party Group A may be required to make a general offer for the Company under Rule 14.1(b) of the Take-over Code.

An application was made to the SIC to exempt Concert Party Group A and their respective concert parties from the requirement to make a general offer for the Company under Rule 14.1(b) of the Take-over Code in the event its aggregate direct interests in the Company increase by more than one per cent. (1%) within a six-month period as a result of any Shares Purchase made by the Company pursuant to the Shares Purchase Mandate.

The SIC, has on 4 December 2007, approved the said application, subject to the following conditions:

- (a) the Appendix on the resolution to approve the Shares Purchase Mandate contains advice to the effect that by voting to approve the Shares Purchase Mandate resolution, Shareholders are waiving their rights to a general offer at the required price from Concert Party Group A and parties acting in concert with it; and their names and voting rights at the time of the resolution and after the proposed Shares Purchases are disclosed in the same Appendix;
- (b) the resolution to approve the proposed Shares Purchase Mandate is approved by a majority of those Shareholders present and voting at the 2007 AGM on a poll who could not become obliged to make an offer as a result of the proposed Shares Purchase;
- (c) Concert Party Group A and parties acting in concert with it abstain from voting for and recommending Shareholders to vote in favour of the resolution to approve the Shares Purchase Mandate; and
- (d) Concert Party Group A and parties acting in concert with it have not acquired and will not acquire any Shares between the date on which they know that the announcement of the Shares Purchase Mandate is imminent and the earlier of:
 - (i) the date on which the authority of the Shares Purchase Mandate expires; and
 - (ii) the date on which the Company announces that it has bought back such number of Shares as authorised by the Shares Purchase Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with those repurchased by the Company under the Shares Purchase Mandate, would cause their aggregate voting rights in the Company to increase by more than one per cent. (1%) in the preceding six (6) months.

If the Company ceases to buy back its Shares and the increase in the aggregate voting rights held by Concert Party Group A and its concert parties is less than one per cent (1%), Concert Party Group A and its concert parties may acquire further voting rights in the Company. However, any increase in their percentage of voting rights in the Company as a result of the Shares Purchase will be taken into account together with any voting rights acquired by Concert Party Group A and its concert parties (by whatever means) in determining whether they have increased their voting rights by more than one per cent (1%) in any six (6) month period.

Shareholders are advised that by voting in favour of Resolution 10 relating to the proposed renewal of the Shares Purchase Mandate, they will be waiving their rights to a general offer at the required price from Concert Party Group A and/or their respective concert parties.

Concert Party Group A has as at the Latest Practicable Date complied with the requirements listed in paragraph (d) above.

Concert Party Group A and their respective concert parties (which include Mr Sin Kwong Wah, Andrew and Mdm Pek Yee Chew) will abstain from voting at the 2007 AGM in respect of Resolution 10 in view of the take-over consequences set out above and they would not accept nominations as proxy or otherwise for voting at the 2007 AGM in respect of Resolution 10.

10. DIRECTORS' RECOMMENDATION

The Directors of the Company (with the exception of Mr Sin Kwong Wah, Andrew) are of the opinion that the proposed renewal of the Shares Purchase Mandate is in the best interests of the Company. Accordingly, the Directors (with the exception of Mr Sin Kwong Wah, Andrew) recommend that Shareholders vote in favour of Resolution 10.

11. DIRECTORS' RESPONSIBILITY STATEMENT

This Appendix has been reviewed and approved by all the Directors (including those who may have delegated detailed supervision of this Appendix) and the Directors collectively and individually accept full responsibility for the accuracy of the information given herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Appendix are fair and accurate in all material respects as at the date of this Appendix and that there are no material facts the omission of which would make any statement in this Appendix misleading.

Where any information contained in this Appendix has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources, or as the case may be, reflected and produced in this Appendix.

APPENDIX B

RENEWAL OF THE SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS BETWEEN MIYOSHI PRECISION LIMITED AND MIYOSHI INDUSTRY CO., LTD

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

"Annual General Meeting"	:	The annual general meeting of the Company to be held on Thursday, 27 December, 2007 at 3.00 p.m. at No. 5 Second Chin Bee Road, Singapore 618772
"Annual Report"	:	The annual report of the Company for FY2007
"Associate"	:	Shall bear the meaning assigned to it by the Listing Manual
"Associated Companies"	:	Companies or corporations in which a corporation has not less than 20% and not more than 50% equity interest
"Audit Committee"	:	The Audit Committee of the Company
"CDP"	:	The Central Depository (Pte) Limited
"Companies Act"	:	The Companies Act, Chapter 50, of Singapore, as amended, modified or re-enacted from time to time
"Company" or "Miyoshi"	:	Miyoshi Precision Limited
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company; or (b) in fact exercises control over the Company
"Directors"	:	Directors of the Company for the time being
"Executive Directors"	:	Directors of the Company who perform an executive function, currently Messrs Sin Kwong Wah Andrew, Tan Kay Guan and Gan Yoke Fong Karen
"First Shareholders' Mandate"	:	The mandate from Shareholders authorising the Group to enter into Interested Person Transactions, approval of which was obtained at the extraordinary general meeting of the Company held on 17 July 2000 and which expired on 24 January 2003
"FY"	:	Financial year ended 31 August
"Group"	:	The Company, its Subsidiaries and Associated Companies
"Interested Person Transactions"	:	Transactions proposed to be entered into between the Group and MIC, within the ambit of the Supply Agreement and Supplementary Agreement

“Latest Practicable Date”	:	22 November 2007, being the latest practicable date prior to the printing of this Appendix
“Listing Manual”	:	The Listing Manual of the SGX-ST, as the same may be amended, varied or supplemented from time to time
“MIC”	:	Miyoshi Industry Co., Ltd
“New Shareholders’ Mandate”	:	The mandate from Shareholders authorising the Group to enter into Interested Person Transactions
“NTA”	:	Net tangible assets
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Persons who are registered as holders of the Shares except where the registered holder is CDP, in which case the term “Shareholders” shall in relation to such Shares mean the Depositors whose securities accounts with CDP are credited with the Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Subsidiaries”	:	The subsidiaries of a company (as defined in Section 5 of the Companies Act) and “Subsidiary” shall be construed accordingly
“Substantial Shareholder”	:	A person who has an interest in voting shares of the Company and the total votes attached to these shares is not less than five per cent. (5%) of the total votes attached to all the voting shares of the Company
“Supplementary Agreement”	:	The supplementary agreement dated 29 January 2003 to the Supply Agreement
“Supply Agreement”	:	The agreement dated 1 August 2000 entered into between the Company and MIC for the provision of services and supply of products to the Group
“S\$” or “\$”	:	Singapore dollars
“%” or “per cent.”	:	Per centum or percentage

The terms **“Depositor”** and **“Depository Register”** shall have the meanings ascribed to them respectively by Section 130A of the Companies Act.

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.

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 have the meaning assigned to it under the said Act.

Any reference to a time of a day in the Appendix is a reference to Singapore time.

1. INTRODUCTION

- 1.1 The Directors of the Company propose to table, for the Shareholders' consideration and approval, the proposed renewal of the existing shareholders' mandate for interested person transactions ("**IPT Shareholders' Mandate**") pursuant to Chapter 9 of the Listing Manual.
- 1.2 The purpose of this Appendix, circulated together with the Annual Report, is to explain the rationale and provide information to Shareholders for the proposed renewal of the IPT Shareholders' Mandate.

2. THE PROPOSED RENEWAL OF THE IPT SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS BETWEEN THE COMPANY AND MIYOSHI INDUSTRY CO., LTD

2.1 CHAPTER 9 OF THE LISTING MANUAL

- 2.1.1 Chapter 9 of the Listing Manual governs transactions between a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be "entities at risk", with the listed company's interested persons. The purpose of Chapter 9 of the Listing Manual is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.
- 2.1.2 In accordance with Chapter 9 of the Listing Manual, except for any transaction below \$100,000, the listed company is required to make an immediate announcement of any interested person transaction of a value equal to or more than 3% of the Group's latest audited NTA. If the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the Group's latest audited NTA, the listed company must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.
- 2.1.3 Except for any transaction below \$100,000, the listed company must obtain shareholders' approval for an interested person transaction of a value equal to, or exceeding:
 - (i) 5% of the Group's latest audited NTA; or
 - (ii) 5% of the Group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.
- 2.1.4 Based on the latest audited consolidated accounts of the Group for FY2007, the NTA of the Group was S\$61,931,000. Accordingly, for the purposes of Chapter 9 of the Listing Manual, 5% of the Group's latest audited NTA would be S\$3,097,000.
- 2.1.5 Under Chapter 9 of the Listing Manual, a listed company may seek a shareholders' mandate for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, which may be carried out with the listed company's interested persons, but not for the purchase or sale of assets, undertakings or businesses. Such a mandate is subject to annual renewal.
- 2.1.6 For the purposes of Chapter 9 of the Listing Manual:
 - (i) an "entity at risk" means:

- (a) the listed company;
 - (b) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (c) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “listed group”), or the listed group and its interested person(s), has control over the associated company;
- (ii) an “interested person” means a director, chief executive officer or controlling shareholder of the listed company or an associate of any such director, chief executive officer or controlling shareholder;
 - (iii) an “associate” in relation to (a) a director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) includes his immediate family member (that is, the spouse, child, adopted-child, step-child, sibling or parent); 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 any company in which he and his immediate family together (directly or indirectly) has an interest of 30% or more, and (b) 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;
 - (iv) an “approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9;
 - (v) an “interested person transaction” means a transaction between an entity at risk and an interested person; and
 - (vi) a “transaction” includes:
 - (a) the provision or receipt of financial assistance;
 - (b) the acquisition, disposal or leasing of assets;
 - (c) the provision or receipt of services;
 - (d) the issuance or subscription of securities;
 - (e) the granting of or being granted options; and
 - (f) the establishment of joint ventures or joint investments,

whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

2.2 BACKGROUND TO THE IPT SHAREHOLDERS' MANDATE

The Company is principally engaged in the design and fabrication of precision tools and dies, as well as the manufacture of stamped precision components. MIC is a manufacturer and assembler of stamped precision metal components in Japan. As at the Latest Practicable Date, MIC holds approximately 24.84% of the issued and paid-up capital of the Company and is a Controlling Shareholder. Accordingly, any transactions between the Group and MIC are Interested Person Transactions.

As disclosed on page 51 of the Company's Prospectus dated 22 August 2000, the Company obtained the First Shareholders' Mandate for Interested Person Transactions pursuant to Chapter 9A of the then Listing Manual. The Interested Person Transactions covered under the First Shareholders' Mandate were governed by the terms and conditions of the Supply Agreement.

The Company did not seek Shareholders' approval to renew the First Shareholders' Mandate following its expiration on 24 January 2003. The Directors were of the view that future Interested Person Transactions with MIC would not exceed 5% of the Group's latest audited NTA and hence the need to renew the First Shareholders' Mandate was not necessary.

Subsequent to the entry into of the Supply Agreement on 1 August 2000, the Company had on 29 January 2003 entered into the Supplementary Agreement with MIC to provide for detailed terms and conditions for the Interested Person Transactions. In view of the potential increase in business opportunities with MIC, the Directors envisage that going forward, the Group's transactions with MIC as stated in the Supply Agreement and Supplementary Agreement may exceed 5% of the Group's audited NTA. Accordingly, the Directors consider it timely and appropriate to seek Shareholders' approval and adopt the New Shareholders' Mandate. The New Shareholders' Mandate was approved on 14 May 2004. The New Shareholders' Mandate was renewed at the previous annual general meetings of the Company held on 28 December 2005 and 27 December 2006.

The Supply Agreement and Supplementary Agreement would be effective for as long as the Company is listed and is subject to the provisions of Chapter 9 of the Listing Manual, including obtaining Shareholders' approval to renew the New Shareholders' Mandate, if required. The Supply Agreement and Supplementary Agreement may be terminated only upon mutual agreement of both parties.

It is anticipated that the Group will in the ordinary course of business, enter into the Interested Person Transactions and that such transactions will occur with some degree of frequency and could arise at any time from time to time. Due to the time-sensitive nature of commercial transactions and in view of the rationale and benefits of the IPT Shareholders' Mandate (which remain unchanged and are as set out in paragraph 2.3 below), the Directors are seeking approval from the Shareholders for the renewal of the New Shareholders' Mandate.

2.3 RATIONALE FOR AND BENEFITS OF THE IPT SHAREHOLDERS' MANDATE

The renewal of the New Shareholders' Mandate on an annual basis would obviate the need to make separate announcements and/or convene separate general meetings each time an Interested Person Transaction which crosses the relevant thresholds under Rules 905 and 906 of the Listing Manual is contemplated. The New Shareholders' Mandate would therefore result in savings in administrative time, inconveniences and expenses, while the review procedures to be implemented as set out below would enable the Interested Person Transactions to be entered into on arm's length basis and normal commercial terms, without compromising Shareholders' interests, the corporate objectives of the Group or the ability of the Group to respond to business opportunities.

2.4 CATEGORIES OF INTERESTED PERSONS AND INTERESTED PERSON TRANSACTIONS

- 2.4.1 The New Shareholders' Mandate will apply to the Interested Person Transactions, as described in paragraph 2.4.3, carried out with MIC which is a Controlling Shareholder of the Company by virtue of its approximate 24.84% shareholdings in the Company as at the Latest Practicable Date.
- 2.4.2 Transactions with other interested persons which do not fall within the ambit of the New Shareholders' Mandate will be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.
- 2.4.3 Pursuant to the Supply Agreement and the Supplementary Agreement, the Company and MIC will engage in the following transactions:
- (i) the provision of marketing services by MIC;
 - (ii) the sale and purchase of tools, machineries, components and materials to and from MIC;
 - (iii) the payment of sales commission to MIC;
 - (iv) the payment of royalty fees and transfer of technology fees to MIC; and
 - (v) the provision of engineering support services by MIC.

The aggregate values of the Interested Person Transactions with MIC conducted during the financial year ended 31 August 2007 are as follows:

Type of Transaction	FY2007 (S\$'000)
Sales	2,627
Purchases	272
Engineering support services	0
Sales commission	0
Marketing services	120
Total	<u>3,019</u>

The aggregate value of the above Interested Person Transactions represent approximately 4.87% of the Group's audited NTA as at 31 August 2007.

- 2.4.4 The New Shareholders' Mandate does not cover any Interested Person Transaction which has a value below \$100,000 as the threshold and aggregation requirements of Chapter 9 of the Listing Manual do not apply to such transactions.

2.5 REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

To ensure that the transactions with MIC set out in paragraph 2.4.3 above are undertaken at arm's length and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company has put in place the following procedures for the review and approval of Interested Person Transactions under the New Shareholders' Mandate:

- (a) In procuring the marketing services of MIC pursuant to the Supply Agreement and Supplementary Agreement, the monthly fees payable by the Company is based on a predetermined fixed amount. This predetermined amount was determined based on the market salaries of two marketing staff should the Company undertake the marketing services on its own and the estimated time allocated to the Company to ensure that fees payable is on normal commercial terms.

- (b) When purchasing tools, machineries, components and materials from MIC, pursuant to the Supply Agreement and Supplementary Agreement, all purchases would be based on cost plus a mark-up of up to 3%. The mark-up of up to 3% was determined based on the range of profit margins charged by MIC to unrelated third parties for similar products. MIC will provide documentation to the Company to justify the cost price of the purchases. The Company will also compare the cost and terms of two other competitive bids from two other unrelated third parties. The purchase price shall not be higher than the more competitive bid of the two other competitive offers from unrelated third parties. In determining the most competitive bid, due consideration is given to all circumstances, quantitative and qualitative, of the transaction, which include but are not limited to, the type of products, specification compliance, track record and financial position of the suppliers. There are circumstances in which obtaining two other competitive bids cannot be obtained, such as purchase of machines which require MIC's technical expertise in modifying to suit the Company's needs or where customers direct the Company to purchase the materials from MIC. For purchases of machines which require MIC's technical expertise to modify, the purchase price shall not be higher than the price charged by MIC to unrelated third parties. For purchases of MIC's tools, machineries, components and materials as specifically directed by the Company's customers, the purchase cost incurred by the Company will be charged to such customers with a mark-up that is consistent with the Company's usual business practice.
- (c) When selling tools, machineries, components and materials to MIC, the prices and terms of at least two other recent sales of similar products with comparable transaction size to unrelated third parties will be compared to ensure that the price and terms are no more favourable to MIC than the usual commercial terms extended to unrelated third parties.
- (d) Based on the Supply Agreement and Supplementary Agreement, MIC will be paid a commission fee not exceeding 3% of the aggregate value of the products manufactured and sold by the Company arising from each referral by MIC. It was agreed that no fee shall be payable unless the Company undertook the mass production and sale of the products. Hence, in ascertaining whether the commission fee of up to 3% will be in accordance with industry norms and usual business practices, the Executive Directors who are not interested persons will take into consideration factors such as the size of the contract, the product price, the profit margins, the potential for repeated business and commissions to be paid to unrelated third parties arising from referral businesses.
- (e) Based on the Supply Agreement and Supplementary Agreement, the Company will pay MIC royalty fees for orders placed with the Company which involve a transfer of the proprietary technology of MIC. The royalty fees are based on the difference between the final selling price to the end customer and the quoted price to MIC and the quantity produced. MIC extends the same royalty fees when transacting with unrelated third parties. For the royalty fees, the Company will provide quotations to MIC based on a range of profit margins charged by the Company to unrelated third parties for similar projects taking into consideration the size of the contract, the product prices, potential for repeated businesses and royalty fees paid to unrelated third parties arising from such orders. There are circumstances where the Company would pay MIC a lump sum fee for the transfer of MIC's proprietary technology which would allow the Company the exclusive use of the proprietary technology in its future production. The lump sum payment will be based on the cost of research and development incurred plus a premium depending on the complexity of the technology. MIC will provide documentation to the Company to justify the research and development costs incurred. In ascertaining whether the lump sum payment is based on the Company's usual business practices, the Executive Directors who are not interested persons will take into consideration factors such as the size of the contract, the product price, the profit margins and potential for repeated business.
- (f) When procuring engineering support services from MIC, the fees payable by the Company will be based on cost, salary reimbursement, fees charged for comparable services rendered by unrelated third parties or such other appropriate yardsticks to ensure that the interests of minority shareholders are not prejudiced.

- (g) Interested Person Transactions below \$500,000 are to be approved by one Director. Interested Person Transactions above \$500,000 are to be approved by a Director and the Company's Chief Executive Officer or two Directors (who shall not be interested persons to such Interested Person Transactions) and shall not be approved unless the pricing is:
- (i) determined in accordance with the Company's usual business practices and policies;
 - (ii) consistent with the usual margin given or price paid by the Company for the same or substantially similar type of transactions between the Company and unrelated third parties; and
 - (iii) no less favourable to the Company than those extended by unrelated third parties,
- and the review procedures as set out in paragraphs 2.5(a) to (f) had been duly observed and complied with.
- (h) In addition, the Audit Committee will monitor the following Interested Person Transactions:
- (i) Category 1: being an Interested Person Transaction where the value thereof is in excess of S\$500,000; and
 - (ii) Category 2: being an Interested Person Transaction where the value thereof is below or equal to S\$500,000.

All Category 1 Interested Person Transactions shall be approved by the Audit Committee prior to entry whereas Category 2 Interested Person Transactions do not require the approval of the Audit Committee but shall be subject to half yearly review by the Audit Committee. If any member of the Audit Committee has an interest in a transaction, he will abstain from participating in the review and approval process in relation to that transaction.

- (i) The Company will maintain a register of all Interested Person Transactions entered into pursuant to the New Shareholders' Mandate. The Audit Committee will review all such Interested Person Transactions recorded on the register on a half yearly basis.
- (j) The Audit Committee will carry out periodic reviews (at least every half yearly) to ascertain whether the established review procedures as set out above in respect of the New Shareholders' Mandate have been complied with and whether the method and review procedures are appropriate. Should the established methods or procedures become inappropriate, the Company will obtain a fresh mandate from its Shareholders.

2.6 VALIDITY PERIOD OF THE RENEWED MANDATE

The renewed New Shareholders' Mandate will take effect from the passing of the ordinary resolution relating thereto, and will (unless revoked or varied by the Company in general meeting) continue in force until the next annual general meeting of the Company. Approval from Shareholders will be sought for the renewal of the New Shareholders' Mandate at the next annual general meeting and at each subsequent annual general meeting of the Company, subject to satisfactory review by the Audit Committee of its continued application to the transactions with MIC.

2.7 DISCLOSURE IN ANNUAL REPORT

In accordance with the requirements of Chapter 9 of the Listing Manual:

- (a) the Company will disclose in its Annual Report the aggregate value of transactions conducted pursuant to the IPT Shareholders' Mandate during the financial year under review, in the format stipulated in Rule 907 of the Listing Manual (as well as in the Annual Reports for subsequent financial years that the New Shareholders' Mandate continues in force); and

- (b) the Company will announce the aggregate value of transactions conducted pursuant to the New Shareholders' Mandate for the financial periods which it is required to report on pursuant to Rule 705 of the Listing Manual within the time required for announcement of such report.

2.8 AUDIT COMMITTEE'S STATEMENT

The Audit Committee, having reviewed the New Shareholders' Mandate and based on their evaluation of the review procedures adopted by the Company (as set out in paragraph 2.5 of this Appendix) in connection with the Interested Person Transactions and their discussions with certain Directors and management of the Company, is of the opinion that the methods and procedures for determining the transaction prices with interested persons have not changed since the last Shareholders' approval and that the current methods and review procedures for the Interested Person Transactions are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

As such, an independent financial adviser's opinion is not required for the renewal of the New Shareholders' Mandate under Rule 920(1)(c) of the Listing Manual.

2.9 RECOMMENDATION

2.9.1 The Directors who are considered independent as at the date hereof for the purpose of the proposed renewal of the New Shareholders' Mandate are Messrs U Kean Seng and Tay Peng Lim (the "**Independent Directors**").

2.9.2 The Independent Directors are of the view that the entry into of the Interested Person Transactions in the ordinary course of business (as described in paragraph 2.4 of this Appendix) are in the best interests of the Group. For the reasons as set out in paragraph 2.3 above and taking into consideration the Audit Committee's statement in paragraph 2.8 above, the Independent Directors are of the opinion that the current review procedures for the Interested Person Transactions are sufficient to ensure that the transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Group and the minority Shareholders and recommend that Shareholders vote in favour of the resolution relating to the renewal of the New Shareholders' Mandate to be proposed at the Annual General Meeting.

2.9.3 In accordance with the requirements of Chapter 9 of the Listing Manual, Mr Masayoshi Taira and MIC, being interested persons in relation to the New Shareholders' Mandate, will abstain and will procure that their respective associates abstain, from voting on the resolution relating to the renewal of the New Shareholders' Mandate at the Annual General Meeting. They will not accept nominations to act as proxy, corporate representative or attorney unless that Shareholder appointing them indicates clearly how votes are to be cast in respect of such resolution.

3. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the Annual General Meeting and who wish to appoint a proxy to attend and vote on their behalf should sign and return the Proxy Form attached to the Notice of the Annual General Meeting in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Registered Office of the Company at No. 5 Second Chin Bee Road, Singapore 618772 not later than 48 hours before the time fixed for the Annual General Meeting. The appointment of a proxy by a shareholder does not preclude him from attending and voting in person at the meeting if he wishes to do so.

4. DIRECTORS' RESPONSIBILITY STATEMENT

This Appendix has been reviewed and approved by all the Directors (including those who may have delegated detailed supervision of this Appendix) and the Directors collectively and individually accept full responsibility for the accuracy of the information given herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Appendix are fair and accurate in all material respects as at the date of this Appendix and that there are no material facts the omission of which would make any statement in this Appendix misleading.

Where any information contained in this Appendix has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources, or as the case may be, reflected and produced in this Appendix.