



**MFS TECHNOLOGY LTD**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 200009562)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of MFS Technology Ltd (the "Company") will be held at 22 Tuas Avenue 8, Singapore 639237 on 30 July 2008 at 9.30 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following Special and Ordinary Resolutions:

**Resolution 1: Special Resolution**  
**The Proposed Alterations to the Articles**

That:

Articles 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 16, 18, 20, 21, 24, 27, 40, 42, 46, 47, 48, 49, 50, 53, 58, 63, 64, 67, 78, 91, 92, 96, 99, 101, 102, 106, 108, 110, 113, 115, 126, 134A, 135, 137, 138, 141, 143, 146 and 151 of the Articles of Association of the Company (the "Articles") and the heading "SHARE CAPITAL" appearing immediately before Article 3 of the Articles be altered in the manner as set out in the Appendix to the circular to Shareholders dated 8 July 2008 (the "Circular").

**Resolution 2: Ordinary Resolution**  
**The Proposed MFS Performance Share Plan**

That:

- (a) a new performance share plan to be known as the "MFS Performance Share Plan" (the "MFS Performance Share Plan"), the rules of which, for the purpose of identification, have been subscribed to by the Chairman of the Meeting, under which awards ("PSP Awards") of fully paid-up issued ordinary shares in the capital of the Company (the "Shares"), their equivalent cash value or combinations thereof will be granted, free of payment, to selected employees of the Company and its subsidiaries, including executive Directors of the Company, and other selected participants, details of which are set out in the Circular, be and is hereby approved;
- (b) the Directors of the Company be and are hereby authorised:
  - (i) to establish and administer the MFS Performance Share Plan; and
  - (ii) to modify and/or alter the MFS Performance Share Plan from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the MFS Performance Share Plan, and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the MFS Performance Share Plan; and
- (c) the Directors of the Company be and are hereby authorised to grant PSP Awards in accordance with the provisions of the MFS Performance Share Plan and to allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the vesting of PSP Awards under the MFS Performance Share Plan, provided that the aggregate number of Shares to be allotted and issued pursuant to the share option scheme adopted by the Company on 28 December 2001, as modified or altered from time to time (the "MFS Share Option Scheme"), the MFS Share Appreciation Rights Plan (as hereafter defined) and the MFS Performance Share Plan shall not exceed 10 per cent. of the total number of issued Shares from time to time.

**Resolution 3: Ordinary Resolution**  
**The Proposed MFS Share Appreciation Rights Plan**

That:

- (a) a new share plan to be known as the "MFS Share Appreciation Rights Plan" (the "MFS Share Appreciation Rights Plan"), the rules of which, for the purpose of identification, have been subscribed to by the Chairman of the Meeting, under which awards of share appreciation rights ("SAR Awards") representing the right of a participant to receive Shares based on the increase in the market value of the Shares on the Singapore Exchange Securities Trading Limited (the "SGX-ST") (or such other stock exchange on which the Shares may for the time being be listed or quoted), their equivalent cash value or combinations thereof will be granted, free of payment, to selected employees of the Company and its subsidiaries, including executive Directors of the Company, and other selected participants, details of which are set out in the Circular, be and is hereby approved;
- (b) the Directors of the Company be and are hereby authorised:
  - (i) to establish and administer the MFS Share Appreciation Rights Plan; and
  - (ii) to modify and/or alter the MFS Share Appreciation Rights Plan from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the MFS Share Appreciation Rights Plan, and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the MFS Share Appreciation Rights Plan; and
- (c) the Directors of the Company be and are hereby authorised to grant SAR Awards in accordance with the provisions of the MFS Share Appreciation Rights Plan and to allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the exercising of the SAR Awards under the MFS Share Appreciation Rights Plan, provided that the aggregate number of Shares to be allotted and issued pursuant to the MFS Share Option Scheme, the MFS Performance Share Plan and the MFS Share Appreciation Rights Plan shall not exceed 10 per cent. of the total number of issued Shares from time to time.

**Resolution 4: Ordinary Resolution**  
**The Proposed Share Purchase Mandate**

That contingent upon the passing of Resolution 1:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Cap 50 (the "Companies Act"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such prices or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
  - (i) on-market purchases transacted on the SGX-ST transacted through the SGX-ST's trading system or any other stock exchange on which the Shares may for the time being be listed and quoted ("Other Exchange"); and/or
  - (ii) off-market purchase(s) (if effected otherwise than on SGX-ST or as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;and otherwise in accordance with all other laws and regulations and rules of SGX-ST or, as the case may be, Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
  - (i) the date on which the next Annual General Meeting of the Company is held;
  - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held;
  - (iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
  - (iv) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied;
- (c) in this Resolution:

"Maximum Limit" means that number of Shares representing 10 per cent. of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

"Maximum Price" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax, and other related expenses) which shall not exceed:
  - (i) in the case of a market purchase of a Share, 105 per cent. of the Average Closing Price of the Shares; and
  - (ii) in the case of an off-market purchase of a Share pursuant to an equal access scheme, 110 per cent. of the Average Closing Price of the Shares,where:

"Average Closing Price" means the average of the closing market prices of a Share over the last five market days, on which transactions in the Shares on the SGX-ST or, as the case may be, Other Exchange were recorded, immediately preceding the date of the market purchase by the Company or, as the case may be, the date of making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the Listing Manual of the SGX-ST for any corporate action which occurs after the relevant five day period; and

"date of 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; and
- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

BY ORDER OF THE BOARD

Peter Tan  
Company Secretary

Singapore  
8 July 2008

**Notes:**

1. A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 22 Tuas Avenue 8, Singapore 639237, not less than 48 hours before the time appointed for the Extraordinary General Meeting.
3. The Company may purchase or acquire its own Shares out of capital, as well as from its distributable profits. The Company intends to use its internal sources of funds to finance its purchase or acquisition of the Shares. The Company does not intend to obtain or incur any borrowings to finance its purchase or acquisition of the Shares. However, in the event these funds are depleted for working capital or investment purposes, the Company may consider external borrowings to finance the purchase and acquisition of Shares if the Directors are of the view that it will be beneficial to the Company to do so provided that such borrowings shall not be prohibited by the Articles and the Companies Act.

Based on the number of existing issued Shares as at 30 June 2008 and excluding any Shares held in treasury, the purchase by the Company of 10 per cent. of its issued Shares (and disregarding the Shares held in treasury) will result in the purchase or acquisition of 66,043,049 Shares.

In the case of market purchases by the Company and assuming that the Company purchases or acquires 66,043,049 Shares at the Maximum Price of S\$0.263 per Share (being the price equivalent to 105 per cent. of the average of the closing market prices of the Shares for the last five consecutive market days on which the Shares were traded on the SGX-ST), the maximum amount of funds required for the purchase or acquisition of 66,043,049 Shares is S\$17,369,321.88.

In the case of off-market purchases by the Company and assuming that the Company purchases or acquires 66,043,049 Shares at the Maximum Price of S\$0.275 per Share (being the price equivalent to 110 per cent. of the average of the closing market prices of the Shares for the last five consecutive market days on which the Shares were traded on the SGX-ST), the maximum amount of funds required for the purchase or acquisition of 66,043,049 Shares is S\$18,161,838.47.

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Group for the financial year ended 30 September 2007 based on these assumptions are set out in paragraph 5.8 of the Circular.