

FALMAC LIMITED

(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of the Company will be held at Jurong Country Club, Ficus 2, 9 Science Centre Road, Singapore 609078 on 8 September 2004 at 4.00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without any modifications:-

RESOLUTION 1 (SPECIAL RESOLUTION)

Capital Reduction Exercise

THAT pursuant to Article 60 of the Company's Articles of Association (the "Articles") and subject to the confirmation of the High Court of Singapore, the ordinary share capital of the Company be reduced from \$50,000,000 divided into 250,000,000 ordinary shares of \$0.20 each, of which 72,627,500 ordinary shares have been issued and are fully paid-up or credited as fully paid-up, to \$2,500,000 divided into 250,000,000 ordinary shares of \$0.01 each, of which 72,627,500 ordinary shares have been issued and fully paid-up or credited as fully paid-up, and that such reduction be effected by:-

- (i) cancelling the paid-up share capital of the Company to the extent of \$0.19 on each of the 72,627,500 ordinary shares which have been issued and fully paid-up or credited as fully paid-up; and
- (ii) reducing the nominal amount of all ordinary shares, both issued and unissued, from \$0.20 to \$0.01 each; and

that forthwith upon the aforementioned reduction in capital (the "Capital Reduction"):-

- (a) an amount equal to \$13,339,479, being part of the credit arising from the Capital Reduction, will be applied to write off all of the accumulated losses of the Company as at 31 December 2003; and
- (b) there shall be credited to a new reserve account to be designated as the Capital Reduction Reserve, in the accounting records of the Company for the balance \$459,746 of the credit arising from the Capital Reduction. The Capital Reduction Reserve shall not be treated or used by the Company as a distributable reserve for dividend purposes save in connection with a capitalisation of reserve in accordance with Article 148 of the Articles of Association of the Company and the Companies Act.

RESOLUTION 2 (ORDINARY RESOLUTION)

Restoration in Authorised Capital

THAT, subject to Special Resolution 1 being approved and the Capital Reduction taking effect, the authorised capital of the Company be restored to its former capital of \$50,000,000 by the creation of an additional 4,750,000,000 new ordinary shares of par value of \$0.01 each.

Notes:-

1. A Depositor's name must appear on the Depository Register not less than 48 hours before the time of the Extraordinary General Meeting.
2. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead and any such proxy need not be a member of the Company.
3. The instrument appointing a proxy must be lodged at the registered office of the Company at 6 Penjuru Lane, Singapore 609187 not later than 48 hours before the time appointed for the Extraordinary General Meeting.

By Order of the Board

Ho Liong Fen
Chairman
17 August 2004
Singapore