
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

9 July 2009

This Appendix is circulated to the Shareholders of Giant Wireless Technology Limited (the “**Company**”) together with the Company’s Annual Report. The purpose of this Appendix is to provide Shareholders with information pertaining to, and to explain the rationale for the proposed renewal of the Shareholders’ Mandate (as defined in this Appendix) to be tabled at the Annual General Meeting of the Company to be held on 31 July 2009 at 10:30 a.m. Possibility Room, Level 5, National Library Building, 100 Victoria Street, Singapore 188064.

The Notice of the Annual General Meeting and the Depository Proxy Form are enclosed with the Annual Report.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Appendix.



GIANT WIRELESS TECHNOLOGY LIMITED

(Incorporated in Bermuda)

**APPENDIX IN RELATION TO DETAILS OF
THE PROPOSED RENEWAL OF
THE SHAREHOLDERS’ MANDATE
FOR INTERESTED PERSON TRANSACTIONS**

CONTENTS

	<i>PAGE</i>
DEFINITIONS	1
 LETTER TO SHAREHOLDERS	
1. INTRODUCTION	4
2. SCOPE OF THE SHAREHOLDERS' MANDATE	6
3. REVIEW PROCEDURES FOR THE INTERESTED PERSON TRANSACTIONS UNDER THE SHAREHOLDERS' MANDATE	6
4. CLASSES OF INTERESTED PERSONS UNDER THE SHAREHOLDERS' MANDATE	9
5. EXAMPLES OF INTERESTED PERSON TRANSACTIONS WITHIN THE SCOPE OF THE SHAREHOLDERS' MANDATE	10
6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS	12
7. ABSTENTION FROM VOTING	12
8. STATEMENT OF THE AUDIT COMMITTEE	12
9. DIRECTORS' RECOMMENDATION	12
10. DIRECTORS' RESPONSIBILITY STATEMENT	13
11. DOCUMENTS FOR INSPECTION	13
 ANNEXURE 1 – GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL	 14

DEFINITIONS

The following definitions apply throughout this Appendix unless the context otherwise requires:

Companies within the Giant Group

“Company” or “Giant”	:	Giant Wireless Technology Limited
“Giant Group”	:	The Company and its subsidiaries and associated companies (if any)

Companies within the Elite Group

“Elite Business”	:	Elite Business Machines Manufacturing Co. Ltd.
“Elite Engineering”	:	Elite Engineering International Company Limited
“Elite Group” or “Elite Group Companies”	:	LYL and its subsidiaries other than the companies within the Giant Group
“Exert Investments”	:	Exert Investments Limited
“Lavish Winnings”	:	Lavish Winnings Assets Limited
“LYL”	:	Liu Yong Ling Foundation Limited
“Olympia Group”	:	Olympia International Holdings Ltd and its subsidiaries
“Rosebloom Profits”	:	Rosebloom Profits Limited
“Sense Trading”	:	Sense Trading Limited
“Wave Industries Group”	:	Wave Industries International (Holdings) Limited and its subsidiaries

General

“AGM”	:	The annual general meeting of the Company, notice of which is set out on pages 117 to 120 of the Annual Report
“Annual Report”	:	The annual report of the Company for the financial year ended 31 March 2009
“Audit Committee”	:	The audit committee of the Company

DEFINITIONS

“BPCS ERP System”	:	Business Planning Control System, an enterprise resource planning software system which facilitates planning and manufacturing decision making throughout a supply chain
“Bermuda Act”	:	The Companies Act 1981 of Bermuda
“Board”	:	The board of directors of the Company
“Bye-laws”	:	The bye-laws of the Company
“CB radios”	:	Citizen band radios
“CDP”	:	The Central Depository (Pte) Limited
“Directors”	:	The directors of the Company as at the date of this Appendix
“FRS radios”	:	Family radio service radios
“FY”	:	Financial year ended or ending 31 March
“Hong Kong”	:	The Hong Kong Special Administration Region of the PRC
“Independent Directors”	:	The Directors who are deemed independent for the purposes of the Shareholders’ Mandate, namely Messrs. Jovenal R. Santiago, Tan Kay Hock and Teo Kiang Kok
“ISDN”	:	Integrated service digital network
“Listing Manual”	:	The SGX-ST listing manual
“MIS”	:	Management information system
“NTA”	:	Net tangible assets
“ODM”	:	Original design and manufacture
“OEM”	:	Original equipment and manufacture
“PRC”	:	The People’s Republic of China
“Prospectus”	:	The Company’s prospectus dated 25 April 2000

DEFINITIONS

“Securities Account”	:	Securities accounts maintained by Depositors with CDP, but not including securities accounts maintained by a Depository Agent
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shares”	:	Ordinary shares of HK\$0.10 in the capital of the Company
“Shareholders”	:	The registered holders of the Shares (other than CDP) and the Depositors whose securities accounts with CDP are credited with the Shares
“Shareholders’ Mandate”	:	The general mandate pursuant to Chapter 9 of the Listing Manual permitting the Company, its subsidiaries and its target associated companies or any of them to enter into certain interested person transactions of the types described in the Company’s circular to Shareholders dated 15 July 2008
“Singapore Act”	:	Companies Act, Chapter 50 of Singapore
“%” or “per cent.”	:	Percentage or per centum
“\$” and “cents”	:	Singapore Dollars and cents, respectively
“HK\$” and “HK cents”	:	Hong Kong Dollars and cents, respectively

The terms “Depositor” and “Depository Agent” shall have the meanings ascribed to them respectively in Section 130A of the Singapore Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Bermuda Act, the Singapore Act or the Listing Manual or any modification thereof and not otherwise defined in this Appendix shall have the same meaning assigned to it under the Bermuda Act, the Singapore Act or the Listing Manual or any modification thereof, as the case may be.

Any reference to a time of day and date in this Appendix is made by reference to Singapore time and date respectively, unless otherwise stated.

LETTER TO SHAREHOLDERS



GIANT WIRELESS TECHNOLOGY LIMITED *(Incorporated in Bermuda)*

Directors:

Mr. Liu Yong Ling
Ms Joyce Liu Kie Hung
Mr. Jimmy Liu Tsee Ming
Mr. Jovenal R. Santiago
Mr. Tan Kay Hock
Mr. Teo Kiang Kok

Registered Office:

Canon's Court
22 Victoria Street
Hamilton, HM12
Bermuda

9 July 2009

To: The Shareholders of Giant Wireless Technology Limited

Dear Sir/Madam,

PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

- 1.1** The purposes of this Appendix is to provide Shareholders with the relevant information pertaining to, and to seek Shareholders' approval for the renewal of the Shareholders' Mandate.
- 1.2** The Shareholders' Mandate was last renewed with at the annual general meeting of the Company on 30 July 2008, such renewal being expressed to take effect until the date of the forthcoming AGM, being 31 July 2009. Accordingly the Directors proposed that the Shareholders' Mandate be renewed at the AGM to be held on 31 July 2009, to take effect until the next AGM of the Company.
- 1.3** The details of the Shareholders' Mandate are set out in this Appendix to Shareholders dated 9 July 2009. The Appendix contained, inter alia, the review procedures implemented by the Company to ensure that the interested person transactions with the interested persons covered by the Shareholders' Mandate were transacted on normal commercial terms. The particulars of the interested person transactions in respect of which the Shareholders' Mandate is sought to be renewed, remain unchanged. The review procedures and the scope under the Shareholders' Mandate remain unchanged.

LETTER TO SHAREHOLDERS

1.4 Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual (“**Chapter 9**”) applies to transactions entered or to be entered into by a listed company or any of its subsidiaries or associated companies with a party who is an interested person of the listed company. Save for transactions which are excluded under Chapter 9, an immediate announcement and/or shareholders’ approval would be required in respect of transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds. General information pertaining to Chapter 9, including the said financial thresholds and the meanings of certain terms, is summarised in **Annexure 1** of this Appendix.

Chapter 9 allows a listed company to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day to day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses, which may be carried out with the listed company’s interested persons.

1.5 Information on the Giant Group

- 1.5.1 The Giant Group is principally engaged in the business of designing, manufacturing and marketing of telecommunication products (such as cordless and corded telephones and other telecommunication products) mainly on ODM and OEM bases. Under an ODM arrangement, the Giant Group designs the products according to specifications provided by its customers. Upon obtaining the approval from its customers for such designs, the Giant Group will manufacture the telecommunication products. Under an OEM arrangement, the telecommunication products are manufactured according to the specifications and designs provided by the customers of the Giant Group.
- 1.5.2 LYL is the ultimate holding company of the Hong Kong based Elite Group founded by its Chairman Mr. Liu Yong Ling. The Elite Group is engaged in the manufacture of a range of products including office equipment, typewriters (on OEM and ODM bases), plastic injection moulding machines and household electrical appliances.
- 1.5.3 Due to the close proximity between the Giant Group and the Elite Group, the Giant Group finds it convenient and time efficient to obtain certain services that it requires from the Elite Group.
- 1.5.4 The Shareholder’s Mandate eliminates the need to announce, or to announce and convene separate general meetings from time to time to seek shareholders’ approval as and when the potential Interested Person Transactions with a specified class of interested persons arise. This helps to substantially reduce administrative time and expenses associated with the convening of such general meetings to seek Shareholders’ prior approval for each separate Interested Person Transaction, without compromising the corporate objectives and adversely affecting the business

LETTER TO SHAREHOLDERS

opportunities available to the Giant Group. Further, the existing Shareholders' Mandate enables the Giant Group to enjoy the benefits of the synergy arising from familiarity with the business practices of, and the kind and choice of goods and services provided by, the interested persons.

2. SCOPE OF THE SHAREHOLDERS' MANDATE

2.1 The scope of the Shareholders' Mandate applies to the following types of transactions ("Interested Person Transactions") relating to the provision to, or obtaining from, interested persons, of products and services in the normal course of business comprising:

- (a) tooling and plastic injection moulds by Elite Engineering or any other Elite Group Companies;
- (b) rental of BPCS ERP System to the Elite Group Companies;
- (c) the provision of premises for leasing or rental;
- (d) the sale of cordless and corded telephones and other telecommunication products, and the sale and purchase of raw materials, parts and components of telecommunication products;
- (e) the provision or obtaining of services in relation to the design, manufacture, repair, assembly, trading and distribution of cordless and corded telephones and other telecommunication products, including parts and components thereof; and
- (f) the engagement or provision of administrative, consultancy and technical services.

3. REVIEW PROCEDURES FOR THE INTERESTED PERSON TRANSACTIONS UNDER THE SHAREHOLDERS' MANDATE

3.1 The review procedures for the Interested Person Transactions include the following (the "Review Procedures"):

- (a) In general, the Audit Committee will ensure that the Interested Person Transactions with interested persons are undertaken on an arm's length basis and on normal commercial terms, consistent with the Giant Group's usual business practices and policies, which are generally no more favourable to the interested persons than those extended to unrelated third parties.
- (b) All Interested Person Transactions above \$500,000 are to be approved in advance by an Executive Director (who shall not be an interested person in respect of the particular transaction).

LETTER TO SHAREHOLDERS

- (c) Any contracts to be made with or any tender to be submitted to an interested person shall not be approved unless the pricing is determined in accordance with the Giant Group's usual business practices and policies, consistent with the usual margin given or price received by the Giant Group for the same or substantially similar type of transactions by the Giant Group with unrelated parties and the terms are no more favourable to the interested person than those extended to or received from unrelated parties.

For the purposes above, contracts and/or tender documents for the same or substantially similar type of transactions entered into by the Giant Group with unrelated third parties will be used as a basis for comparison to determine whether the price and terms offered to or received from the interested person are no more favourable than those extended to unrelated parties. In particular:–

- (i) when purchasing products from an interested person, quotations (wherever possible or available) will be obtained from the interested person and at least 2 other unrelated parties in respect of substantially similar types of products;
- (ii) when selling products to an interested person, the prices and terms of at least 2 other successful sales of substantially similar types of products to unrelated third parties will be used as comparisons;
- (iii) before renewing (whether as lessee or lessor) the lease of properties with interested persons, the Company will obtain independent valuations from professional property valuers on the rents for these properties. The lease with interested persons will then be renewed at rents which are not higher (in the case where the Company is the lessee), and not lower (in the case where the Company is the lessor), than the rents set out in the independent valuations;
- (iv) in relation to the provision of BPCS ERP System services to, and obtaining building management, administrative services and repair services from, interested persons, the fees for such services will be at cost;
- (v) in relation to the provision or obtaining of services, other than the services which fall within paragraph 3.1 (c) (iv) of this Appendix, such as services in relation to the design, manufacture, assembly, trading and distribution of cordless and corded telephones and other telecommunication products, including parts and components thereof, the fees will be:–
 - (aa) where we are providing the services, equal to or more than fees charged to, or paid by, unrelated third parties for comparable services rendered to such unrelated third parties; and

LETTER TO SHAREHOLDERS

- (bb) where we are obtaining the services, equal to or less than fees charged by, or paid to, unrelated third parties for comparable services rendered by such unrelated third parties;
 - (vi) in the event that it is not possible to obtain quotations from unrelated third parties, the Company may enter into the transaction with the interested person provided that the price and terms received from the interested person are no less favourable to the Company than those extended by the interested person to unrelated third parties, taking into account all pertinent factors including, but not limited to volume, quality, delivery time and track record;
 - (vii) in the event that there are no other successful sales of substantially similar types of products to unrelated third parties, the Company may enter into the transaction with the interested person provided that the price and terms offered to the interested person are no less favourable to the Company than those received by the interested person from unrelated third parties, taking into account all pertinent factors including, but not limited to volume, quality, delivery time and track record; and
 - (viii) in situations where time is of the essence and the Company does not have sufficient time to follow the Review Procedures set out in paragraphs 3.1(c) (i) through (vii) of this Appendix, the Company will proceed with the transaction and document all the relevant facts for review by the Audit Committee at its next meeting, provided that the value of that transaction does not exceed 5% of the Giant Group's latest audited consolidated NTA.
- (d) In addition, the Giant Group will monitor the Interested Person Transactions entered into by the Giant Group by categorising the transactions as follows:
- (i) a Category 1 Interested Person Transaction is one where the value thereof is in excess of \$700,000; and
 - (ii) a Category 2 Interested Person Transaction is one where the value thereof is below or equal to \$700,000.

Category 1 Interested Person Transaction must be approved by the Audit Committee prior to their entry.

Category 2 Interested Person Transaction need not have the prior approval of the Audit Committee but shall be reviewed on a quarterly basis by the Audit Committee.

LETTER TO SHAREHOLDERS

- (e) The Giant Group will keep a register to record all Interested Person Transactions (and the basis, including the quotations obtained to support such basis, on which they are entered into) which are entered into pursuant to the existing Shareholders' Mandate. The annual internal audit plan shall incorporate a review of all Interested Person Transactions entered into pursuant to the existing Shareholders' Mandate.
- (f) The Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor Interested Person Transactions have been complied with. In the event that a member of the Audit Committee is deemed to have an interest in an Interested Person Transaction, he will abstain from reviewing that Interested Person Transaction. If the Audit Committee is of the view that the Review Procedures have become inappropriate or are insufficient to ensure that the Interested Person Transactions will be on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, or in the event of any amendment to Chapter 9, it will in consultation with the Board take such actions as it deems proper in respect of such Review Procedures and/or modify or implement such Review Procedures as may be necessary and direct the Company to revert to Shareholders for a fresh mandate on new guidelines and procedures for the transactions with interested persons.
- (g) Pursuant to Rule 920(1) (a) of the Listing Manual:
 - (i) disclosure will be made in the annual report of the Company, giving details of the aggregate value of all Interested Person Transactions conducted pursuant to the Shareholders' Mandate during the financial year under review (in the form set out in Rule 907 of the Listing Manual); and
 - (ii) announcements will be made with regard to the aggregate value of all Interested Person Transactions conducted pursuant to the Shareholders' Mandate for the financial periods which the Company is required to report on pursuant to Rule 705 of the Listing Manual within the time required for the announcement of such report (in the form set out in Rule 907 of the Listing Manual).

4. CLASSES OF INTERESTED PERSONS UNDER THE SHAREHOLDERS' MANDATE

The classes of interested persons under the Shareholders' Mandate include the following:

- 4.1 companies within the Elite Group from time to time; and
- 4.2 Directors, chief executive officer(s) (or equivalent position), substantial shareholder(s) and controlling shareholders of our Company; or an associate of any such Directors, chief executive officer(s) (or equivalent position), substantial shareholder(s) and controlling shareholders.

LETTER TO SHAREHOLDERS

5. EXAMPLES OF INTERESTED PERSON TRANSACTIONS WITHIN THE SCOPE OF THE SHAREHOLDERS' MANDATE

The Shareholders' Mandate will apply to amongst others, the following types of transactions, which the Giant Group is likely to enter into with interested persons in the normal course of the business of the Giant Group:

5.1 Tooling and plastic injection moulds by Elite Engineering or any other companies within the Elite Group

The plastic casings required by the Giant Group in its manufacture of telecommunication products, must be manufactured according to certain specifications and designs. In order to manufacture such plastic casings, plastic injection moulds are used. Some of the plastic injection moulds required by the Giant Group are manufactured by companies within the Elite Group.

5.2 Rental of BPCS ERP System to the companies within the Elite Group

The Giant Group deploys the BPCS ERP System in its entire supply chain, covering the planning, scheduling and management of the purchasing of raw materials to production to shipping and to billing. The BPCS ERP System, purchased by the Giant Group, is shared with certain companies within Elite Group. The Giant Group charges these companies within the Elite Group rental fees for the use of the BPCS ERP System.

5.3 The provision of premises for leasing or rental

(a) *Rental of office premises*

The Giant Group rents office premises from the Elite Group. In addition to the rental for the office premises, the Giant Group pays an agreed building management fee to the Elite Group. This management fee is the Giant Group's share of the total costs incurred by the Elite Group for the provision of services of security guards and receptionists and for the use of common facilities such as the lifts at the office premises, and is determined by the floor area used by the Giant Group in a particular financial year.

(b) *Rental of factory premises and dormitory units*

The Giant Group rents factory premises and dormitory units in the PRC from the Elite Group. In addition to the rental, the Giant Group pays an administrative fee for the maintenance and management of the common areas and facilities used by the Giant Group. This administrative fee is the Giant Group's share of the costs incurred by the Elite Group in maintaining and managing the common areas and facilities, and is determined by the number of workers, floor area and power used by the Giant Group in a particular financial year.

LETTER TO SHAREHOLDERS

5.4 Sale of cordless and corded telephones and other telecommunication products, and the sale and purchase of raw materials, parts and components of telecommunication products

(a) Purchase of components

The Giant Group may purchase components such as plastic casing and punching parts from companies within the Elite Group.

(b) Sale of telecommunication products

The Wave Industries Group (being companies within the Elite Group) may engage the Giant Group to manufacture cordless telephones on a recurring OEM basis. The Giant Group also supplies telecommunication products to the Olympia Group (being companies within the Elite Group) for distribution in countries where the Olympia Group has a presence.

5.5 The provision or obtaining of services in relation to the design, manufacture, repair, assembly, trading and distribution of cordless and corded telephones and other telecommunication products, including parts and components thereof

(a) Obtaining of sub-contracting services

The Giant Group obtains sub-contracting services from certain companies within the Elite Group such as Elite Business.

(b) Obtaining of repair services

The Giant Group engages Sense Trading, a company within the Elite Group, to repair defective telecommunication products which are under warranty. As Sense Trading is located on the same premises as the Giant Group and has the relevant expertise and capacity to repair the defective telecommunication products, the Giant Group is of the view that such engagement of Sense Trading will save time and costs.

5.6 The engagement or provision of administrative, consultancy and technical services

The Giant Group engages the services of the MIS department of the Elite Group.

Transactions with interested persons that do not fall within the ambit of the Shareholders' Mandate shall be subject to the relevant provisions of Chapter 9 and/or any other applicable provisions of the Listing Manual.

LETTER TO SHAREHOLDERS

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDER'S INTERESTS

Information on the Directors' interests in the Shares, as at 21 April, 2009, can be found on page 24 of the Annual Report. Information on the Substantial Shareholders' interests in the Shares, as at 11 June, 2009, can be found on pages 115 to 116 of the Annual Report.

7. ABSTENTION FROM VOTING

Rule 919 of the Listing Manual requires that interested persons must not vote on any shareholders' resolution approving any mandate in respect of any interested person transactions. Accordingly, each of Rosebloom Profits, Exert Investments, Lavish Winnings, Mr. Liu Yong Ling, Mrs Liu Kie Hwie Joe, Ms Joyce Liu Kie Hung and Mr. Jimmy Liu Tsee Ming will abstain, and has undertaken to ensure that their respective associates will abstain, from voting at the forthcoming AGM in respect of the Shares held by them respectively on ordinary resolution 6 relating to the proposed renewal of, the Shareholders' Mandate, set out in the Notice of AGM.

8. STATEMENT OF THE AUDIT COMMITTEE

In relation to the Shareholders' Mandate, the Audit Committee confirms that:

- (a) the methods or procedures for determining the transaction prices under the Shareholders' Mandate have not changed since the special general meeting held on 28 July 2005; and
- (b) the methods or procedures referred to in sub-paragraph above 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. If during the periodic reviews by the Audit Committee, if it is of the view that the established review procedures are no longer appropriate or adequate to ensure that the Interested Person Transactions will be transacted on normal commercial terms and on terms or conditions that would not be prejudicial to the interests of the Company and minority Shareholders, the Company will seek a fresh mandate from Shareholders based on new review procedures.

9. DIRECTORS' RECOMMENDATION

- 9.1 As at 11 June 2009, Mr. Liu Yong Ling has a direct and indirect interest which in aggregate amount to 98% of the issued share capital of LYL. Each of Ms Joyce Liu Kie Hung and Mr. Jimmy Liu Tsee Ming has a direct interest 1% of the issued capital of LYL. Ms Joyce Liu Kie Hung and Mr. Jimmy Liu Tsee Ming are the children of Mr. Liu Yong Ling.
- 9.2 In view of the foregoing, the Directors who are considered independent for the purpose of the new Shareholders' Mandate are Messrs. Jovenal R. Santaigo, Tan Kay Hock and Teo Kiang Kok. These Directors are of the opinion that the new Shareholders' Mandate is in the best interest of the Company. They accordingly recommend that Shareholders vote in favour of ordinary resolution 6 relating to the proposed modification to, and renewal of, the Shareholders' Mandate, set out in the Notice of AGM.

LETTER TO SHAREHOLDERS

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Appendix 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.

11. DOCUMENTS FOR INSPECTION

The following documents may be inspected at the office of the Company's Singapore Share Transfer Agent, Intertrust Singapore Corporate Services Ptd Ltd. At 3 Anson Road,#27-01 Springleaf Tower, Singapore 079909, during normal business hours from the date of this Appendix up to and including the date of the AGM:-

- (a) the Prospectus;
- (b) the Memorandum of Association and Bye-laws of the Company; and
- (c) the annual report of the Company for the financial year ended 31 March 2009.

Yours faithfully
GIANT WIRELESS TECHNOLOGY LIMITED
Liu Yong Ling
Chairman

The following is a summary of Chapter 9 of the Listing Manual (“**Chapter 9**”). This summary does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by, the more detailed information contained in the Listing Manual.

1. INTRODUCTION

Chapter 9 applies to transactions entered into between a listed company or any of its subsidiaries (other than a subsidiary that is listed on the SGX-ST or an approved stock exchange (as defined below)) or associated companies (other than an associated company that is listed on the SGX-ST or an approved stock exchange or over which the listed group, or the listed group and its interested person(s) (as defined below), has no control) with a party who is an interested person of the listed company (the “**Interested Person Transactions**” or individually, the “**Interested Person Transaction**”).

2. TERMS USED IN CHAPTER 9 OF THE LISTING MANUAL

- “approved stock 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;
- “associate” : (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family (i.e., spouse, children, adopted children, step-children, siblings and parents);
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more
- (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

- “associated company” : means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;
- “chief executive officer” : means the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the issuer;
- “control” : means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;
- “controlling shareholder” : means a person who:
- (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the listed company (unless otherwise excepted by SGX-ST); or
 - (b) in fact exercises control over a company;
- “interested person” : means a director, chief executive officer or controlling shareholder of the listed company, or an associate of such director, chief executive officer or controlling shareholder.

3. MATERIALITY THRESHOLDS, DISCLOSURE REQUIREMENTS AND SHAREHOLDERS’ APPROVAL

Save for certain Interested Person Transactions which are excluded under Chapter 9, an immediate announcement and/or shareholders’ approval would be required in respect of transactions with interested persons if the value of the Interested Person Transaction is equal to or exceeds certain financial thresholds.

An immediate announcement is required where:

- (a) the value of a proposed Interested Person Transaction is equal to, or more than, 3% of the listed group’s latest audited consolidated NTA; or
- (b) the aggregate value of all Interested Person Transactions entered into with the same interested person during the same financial year, is equal to, or more than, 3% of the listed group’s latest audited consolidated NTA. An announcement will have to be made immediately of the latest transaction and all future transactions entered into with that same interested person during the financial year.

Shareholders' approval (in addition to an immediate announcement) is required where:

- (a) the value of a proposed Interested Person Transaction is equal to, or more than, 5% of the listed group's latest audited consolidated NTA; or
- (b) the value of a proposed Interested Person Transaction, when aggregated with other Interested Person Transaction entered into with the same interested person during the same financial year, is equal to, or more than, 5% of the listed group's latest audited consolidated NTA. The aggregation will exclude any Interested Person Transaction that has been approved by shareholders previously, or is the subject of aggregation with another Interested Person Transaction that has been previously approved by shareholders.

The requirements for an immediate announcement and/or shareholders' approval do not apply to Interested Person Transactions below \$100,000 each.

For illustration purposes, based on the Company's latest audited accounts for the financial year ended 31 March 2009, the Giant Group's latest audited NTA as at 31 March 2009 was HK\$52,031,000. Accordingly, in relation to the Company, for the purposes of Chapter 9 in the current financial year, Shareholders' approval would be required where:

- (a) the Interested Person Transaction is of a value equal to, or more than, HK\$2,601,550, being 5% of the Giant Group's latest audited NTA; or
- (b) the Interested Person Transaction, when aggregated with other Interested Person Transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, HK\$2,601,550. The aggregation will exclude any Interested Person Transaction that has been approved by Shareholders previously, or is the subject of aggregation with another Interested Person Transaction that has been approved by Shareholders.

4. SHAREHOLDERS' MANDATE

Part VIII of Chapter 9 permits a listed company to seek a mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses.