

# JLJ HOLDINGS LIMITED

(Company Registration No: 200904797H)  
(Incorporated in the Republic of Singapore)

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## ACQUISITION OF FACTORY LAND IN KUNSHAN, BACHEN DISTRICT, PRC BY SUBSIDIARY – E'MOLD MANUFACTURING (KUNSHAN) CO. LTD

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### 1. THE ACQUISITION

The Board of Directors of JLJ Holdings Limited (the "Company") wishes to announce that the Company's wholly-owned subsidiary, E'Mold Manufacturing (Kunshan) Co. Ltd (the "Subsidiary"), has on 29 March 2010 signed an investment agreement (the "Investment Agreement") with the local authority in Kunshan Bachen District (the "Local Authority") to acquire (the "Acquisition") a 50-year lease of a factory land comprising a land area of approximately 33,333 square metres (approximately 50 mu) in Kunshan Bachen District in the PRC for a sum of RMB11.2 million (equivalent to approximately S\$2.3 million based on an exchange rate of RMB0.2049 : S\$1.00 as at 29 March 2010) (the "Purchase Price").

### 2. SOURCE OF FUNDS

The Purchase Price is payable in full upon completion of the Acquisition and will be funded by internal sources and bank borrowings.

### 3. COMPENSATION

In the Investment Agreement, the Local Authority has agreed to compensate the Subsidiary a sum of RMB7.2 million (equivalent to approximately S\$1.5 million based on an exchange rate of RMB0.2049 : S\$1.00 as at 29 March 2010) for the relocation of the existing plants and for other costs directly attributable to bringing the plants to an operating condition at the new site.

### 4. CAPITAL INJECTION

As at the date of this announcement, the Subsidiary has an existing registered and paid up capital of USD5.0 million. It is a condition in the Investment Agreement that the Subsidiary will increase its registered capital by US\$7.8 million (equivalent to approximately S\$10.9 million based on an exchange rate of USD1.3989 : S\$1.00 as at 29 March 2010) over a period of 2 to 3 years (the "Proposed Capital Increase"). The Acquisition is conditional on the Subsidiary's successful transfer of its registered address and the Subsidiary obtaining the approval of the relevant authorities for the said Proposed Capital Increase. The Proposed Capital Increase will be funded through fund raising exercises and/or bank borrowings.

### 5. RATIONALE

The Subsidiary has 5 existing plants of which 3 may be subject to redevelopment by the Chinese authorities giving due consideration to the state of surrounding developments over the last few years. In the event that the notices of compulsory redevelopment are given, the Subsidiary may not have sufficient time to look for another location and re-equip its plants for production. This will seriously affect its commitments to its customers. The Acquisition will enable the Subsidiary to centralise all its plants in one location and facilitates better control and management of its resources. In addition, the Subsidiary will have sufficient room for expansion to cope with the demands of its customers.

The Directors of the Company have given careful consideration to the Acquisition and relocation of the existing factory as well as the Proposed Capital Increase (collectively the "Transactions") and are of the view that the Transactions are in line with and facilitates the Subsidiary's expansion plans, is in the best interests of the Company.

## 6. DISCLOSEABLE TRANSACTION

Rule 1006	Bases of calculation	Size of relative figures (%) (rounded down to the nearest 2 decimal places)
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable <sup>(1)</sup>
(b)	The net profits attributable to the assets acquired or disposed of compared with the group's net profits.	Not applicable <sup>(1)</sup>
(c)	The aggregate value of the consideration given or received compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	53.4% <sup>(2)</sup>
(d)	The number of equity securities issued by the issuer as consideration for an acquisition compared with the number of equity securities previously in issue.	Not applicable <sup>(3)</sup>

### Notes:

- (1) Not applicable as the Acquisition is in respect of a factory land.
- (2) Based on the market capitalisation of the Company of S\$24,710,249, as at 26 March 2010 (being the market day preceding the date of the Investment Agreement) which is determined by multiplying the weighted average price of such shares transacted on the said date of S\$0.20 per share by the total number of issued shares of the Company of 123,551,245
- (3) Not applicable as the Purchase Price and the Proposed Capital Increase are in the form of cash.

Pursuant to Rule 1010 of the Catalist Listing Rules, the Transactions constitute discloseable transactions based on the above calculations and requires the Company to announce the same immediately.

## 7. FINANCIAL EFFECTS OF THE TRANSACTION

The Transactions are not expected to have any material impact on the earnings per share and net tangible assets of the Company for the financial year ending 31 December 2010.

## 8. UPDATE TO SHAREHOLDERS

The Company will update its shareholders as and when there are material developments in respect of the Transactions.

## 9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, directly or indirectly (other than through their shareholdings in the Company), in the Transactions.

## 10. DOCUMENTS FOR INSPECTION

A copy of the Investment Agreement is available for inspection during normal business hours at the registered office of the Company at 19 Keppel Road, #03-10 Jit Poh Building, Singapore 089058 for a period of three (3) months from the date hereof.

By Order of the Board

Ng Boon Leng  
Director

Date: 15 April 2010

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*This announcement has been prepared by the Company and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of the announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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