OFFER DOCUMENT DATED
6 JULY 2009

(Registered by the Singapore Exchange Securities Trading Limited acting as an agent on behalf of the Monetary Authority of Singapore on 6 July 2009)

THIS OFFER IS MADE IN OR ACCOMPANIED BY AN OFFER DOCUMENT THAT HAS BEEN REGISTERED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST" OR "EXCHANGE") ACTING AS AN AGENT ON BEHALF OF THE MONETARY AUTHORITY OF SINGAPORE (THE "AUTHORITY") ON 6 JULY 2009. THE REGISTRATION OF THIS OFFER DOCUMENT BY THE SGX-ST ACTING AS AN AGENT ON BEHALF OF THE AUTHORITY DOES NOT IMPLY THAT THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, OR ANY OTHER LEGAL OR REGULATORY REQUIREMENT OR REQUIREMENTS UNDER THE EXCHANGE'S LISTING RULES, HAVE BEEN COMPLIED WITH.

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser(s).

PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") has made an application to the Exchange for permission to deal in, and for quotation of, all the ordinary shares (the "**Shares**") in the capital of JLJ Holdings Limited (the "**Company**") already issued (including the Vendor Shares (as defined herein)), the new Shares which are the subject of this Placement (as defined herein) (the "**New Shares**"), on the Catalist. The Sponsor has submitted this Offer Document to the Exchange. Acceptance of applications will be conditional upon the issue of the New Shares and permission being granted by the Exchange for the listing and quotation of all our existing issued Shares (including the Vendor Shares) as well as the New Shares, on the Catalist. Monies paid in respect of any application accepted will be returned if the admission and listing do not proceed. The dealing in and quotation of the Shares will be in Singapore dollars.

Companies listed on the Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on the Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on the Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor confirming that our Company is suitable to be listed and complies with the Catalist Rules (as defined herein). Neither the Authority nor the SGX-ST has in any way considered the merits of the Shares or units of Shares being offered for investment.

We have not lodged this Offer Document in any other jurisdiction.

Investing in our Shares involves risks which are described in the section entitled "RISK FACTORS" of this Offer Document, in particular, we are dependent on Apple and its intermediaries and are exposed to the risk of delays, claims, reductions or cancellations of orders from them.

After the expiration of six (6) months from the date of registration of this Offer Document, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this Offer Document.

JLJ Holdings Limited

(Incorporated in Singapore on 18 March 2009)
(Company Registration Number 200904797H)

Placement of 19,000,000 Placement Shares comprising 16,000,000 New Shares and 3,000,000 Vendor Shares at S$0.27 for each Placement Share, payable in full on application.

Manager and Sponsor

PrimePartners Corporate Finance Pte. Ltd.

Placement Agent

DMG & Partners Securities Pte Ltd

Precision. Innovation. Aesthetic.

about us

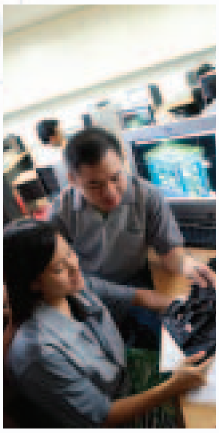
Established in 1993, our Group is a provider of precision plastic injection mould design and fabrication, precision plastic injection moulding and value added services. With our vertically-integrated product offerings and service, we provide design, fabrication and sale of precision plastic injection moulds ("MDF"), precision plastic injection molding ("PPIM") services and other PPIM-related value added services ("Value Added Services") in a one-stop service to global customers in consumer electronics, computer peripherals, automotive and household appliances industries.

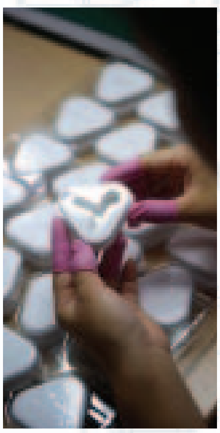
Headquartered in Singapore, our production facilities are located in Singapore, Malaysia and the PRC, and our products are sold to customers in the United States, Singapore, Europe and Malaysia. Our customers include Apple, Dyson, Hewlett-Packard and Automotive Lighting.

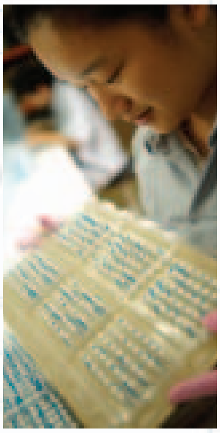
We were awarded Singapore SME 500 Award 20th Annual (2007) - Promising SME Crossing the S$50 Million Turnover, Singapore SME 500 Companies and was ranked 19th in the "Top 50 Fastest Growing Companies" for 2007.

competitive strengths

- **Experienced and committed management team**
- **High standard of services**
- **Strong and close relationship with our customers**
- **Broad and comprehensive range of PPIM services in low cost facilities in Malaysia and PRC**







growth prospects

Growth in tandem with Apple

- Co-operating with Apple since 2001, our business with Apple grew 15% in FY2007 and 32% in FY2008
- Apple posted its best ever 2nd quarter revenue of US$8.16 billion and record net quarterly profit of US$1.21 billion for FY2009 on 22 April 2009 – our Directors expect our performance to be in tandem with global demand for Apple products
- Overall prospects of the consumer electronics industry remain strong in the mid to long term, global consumer electronics market is forecasted to have a value of US$260.7 billion by 2012, an increase of 30.6% compared with 2007 figures

Opportunities in the automotive and the medical devices sectors

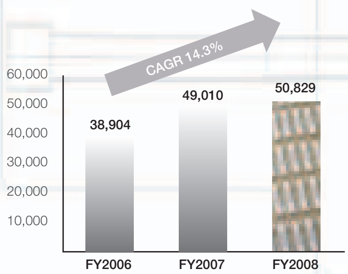
- Our Group is able to benefit from continued outsourcing from European automotive manufacturers seeking lower cost production in Asia
- The medical devices sector is fast growing and estimated to be in excess of US$300 billion that offers both strong growth potential and relatively high margins – we are able to leverage on expertise in the provision of MDF products and PPIM services for the production of plastic parts for medical diagnostic devices and medical precision laboratory equipment

business strategies and future plans

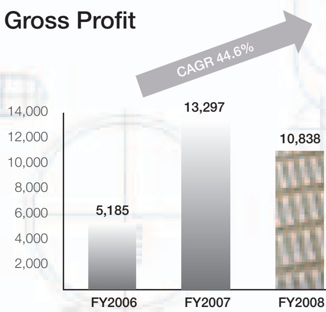
- Increase of production capacity
- Expansion of customer base in existing business segments and development of new business segments
- Transform the Singapore Plant into a technical support hub and manufacturing centre for niche products
- Leveraging on geographical advantages and labour costs in low cost manufacturing sites
- Expand the range of services so as to be an integrated service provider
- Explore opportunities in strategic investments or alliances and acquisitions

financial highlights

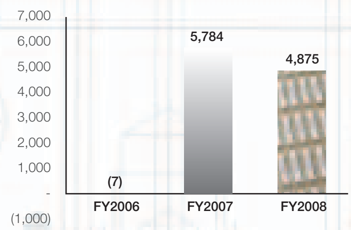
Revenue

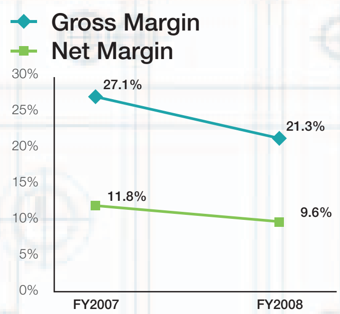


Gross Profit



Net Profit





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CORPORATE INFORMATION

Board of Directors	:	Chua Kim Guan (Executive Chairman) Ng Boon Leng (Chief Executive Officer) Tan Soon Liang (Non-Executive Director) Khoo Boo Teck Randolph (Independent Director) Pao Kiew Tee (Independent Director)
Joint Company Secretaries	:	Sin Chee Mei, ACIS Tham Lee Meng, ACIS
Our Registered Office	:	19 Keppel Road #03-10 Jit Poh Building Singapore 089058
Our Principal Office and Contact Details	:	No. 2 Woodlands Sector 1 #01-35 Woodlands Spectrum 1 Singapore 738068 Telephone : +65 6483 3520 Facsimile : +65 6752 7342
Manager and Sponsor	:	PrimePartners Corporate Finance Pte. Ltd. 1 Raffles Place #30-03 OUB Centre Singapore 048616
Placement Agent	:	DMG & Partners Securities Pte Ltd 20 Raffles Place #22-01 Ocean Towers Singapore 048620
Independent Auditor and Reporting Accountants	:	Nexia TS Public Accounting Corporation 5 Shenton Way #23-03 UIC Building Singapore 068808 Director-in-Charge: Henry SK Tan FCPA Singapore, ACA
Solicitors to the Placement and Legal Advisers to our Company on Singapore Law	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Legal Advisers to our Company on PRC Law	:	Zhenghan Law Firm 18th Floor North Tower of Shanghai Stock Exchange Building 528 Pudong South Road Shanghai 200120, PRC
Legal Advisers to our Company on Malaysian Law	:	Mazlan & Associates Level 3A, Wisma E&C 2, Lorong Dungun Kiri Damansara Heights 50490 Kuala Lumpur, Malaysia

Legal Advisers to our Company on Thai Law	:	Bangkok International Associates 17th Floor ITF Tower 140/36 Silom Road Bangkok 10500 Thailand
Share Registrar	:	B.A.C.S. Private Limited 63 Cantonment Road Singapore 089758
Principal Bankers	:	DBS Bank Ltd 6 Shenton Way DBS Building Tower One Singapore 068809
	:	CIMB Bank Berhad, Singapore Branch 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623
Receiving Banker	:	DBS Bank Ltd 6 Shenton Way DBS Building Tower One Singapore 068809
Vendor	:	Chua Kim Guan

DEFINITIONS

In this Offer Document and the accompanying Application Forms, the following definitions apply throughout where the context so admits:

Companies within our Group

"Company"	:	JLJ Holdings Limited
"EMold Holding"	:	E'Mold Holding Pte. Ltd.
"EMold Kunshan"	:	E'Mold Manufacturing (Kunshan) Co., Ltd（昆山新艺洲制模有限公司）
"EMold Plastics"	:	E'Molding Plastics Industries Pte. Ltd.
"Group"	:	Our Company and our Subsidiaries following the completion of the Restructuring Exercise
"Jin Li Mould"	:	Jin Li Mould Manufacturing Pte. Ltd.
"Jin Li Thailand"	:	Jin Li Mould (Thailand) Co., Ltd.
"Jubilee"	:	Jubilee Manufacturing Sdn. Bhd.

Other Companies, Organisations and Agencies

"Apple"	:	Apple, Incorporated
"ASUS"	:	Asusalpha Computer Incorporated
"Automotive Lighting"	:	Malaysia Automotive Lighting Sdn Bhd
"CDP"	:	The Central Depository (Pte) Limited
"Dyson"	:	Dyson Manufacturing Sdn Bhd
"Foxconn"	:	Foxconn International Holdings Limited
"Future Mould"	:	Future Mould Manufacturing Pte Ltd
"Goeding+Partner"	:	Goeding+Partner Asia CD Refurbishment Centre Pte Ltd
"Hon Hai"	:	Hon Hai Precision Industry Co., Ltd（鸿海精密工业股份有限公司）
"Hongfujin"	:	Hongfujin Precision Industry (Shenzhen) Co, Ltd（鸿富锦精密工业（深圳）有限公司）
"Hewlett Packard"	:	Hewlett Packard Company
"HXC"	:	Joint-stock Cooperative of Hexing Community, Kunshan Development Zone（昆山经济技术开发区合兴社区股份制合作社）
"Independent Auditor and Reporting Accountants"	:	Nexia TS Public Accounting Corporation
"Manager", "Sponsor" or "PPCF"	:	PrimePartners Corporate Finance Pte. Ltd.

"Mapletree"	:	Mapletree Investments Pte Ltd
"MAS" or "Authority"	:	Monetary Authority of Singapore
"Meiban Technologies"	:	Meiban Technologies (Malaysia) Sdn Bhd
"Placement Agent" or "DMG"	:	DMG & Partners Securities Pte Ltd
"Quanta"	:	Quanta Computer Incorporated
"Sabic"	:	Sabic Innovative Plastics Group which consists of Sabic Innovative Plastics (Shanghai) Co., Ltd (沙伯基础创新塑料(上海)有限公司) and Sabic Innovative Plastics Hongkong Limited (沙伯基础创新塑料香港有限公司)
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shenming"	:	Shenming Precisions Electrical (Suzhou) Co., Ltd (伸铭精密电子(苏州)有限公司)
"Solicitors"	:	Shook Lin & Bok LLP, Zhenghan Law Firm, Mazlan Associates and Bangkok International Associates
"Tech-Full"	:	Tech-Full Computer (Changsu) Co., Ltd (达富电脑(常熟)有限公司)
"Thai Home Manufacturing"	:	Thai Home Manufacturing and Trading
"U-Can"	:	U-Can Mould Manufacturing Pte Ltd
"Wanco Industrial"	:	Wanco Industrial Pte Ltd
"WTO"	:	World Trade Organisation

General

"Act" or *"Companies Act"*	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
"Agreed Proportion"	:	The proportion in which the Placement Shares are offered by each of our Company and the Vendor
"Application Forms"	:	The printed application forms for the Placement Shares and which form part of this Offer Document
"Application List"	:	The list of applications for the subscription and/or purchase of the Placement Shares
"Audit Committee"	:	The audit committee of our Company as at the date of this Offer Document
"Board"	:	Board of Directors of our Company
"Catalist"	:	The sponsor-supervised listing platform of the SGX-ST
"Catalist Rule" or "Catalist Rules"	:	Any or all of the rules in Section B of the Listing Manual, as the case may be
"CEO"	:	Chief Executive Officer

"CFO"	:	Chief Financial Officer
"Combined Financial Statements"	:	Audited combined financial statements of our Group for FY2006, FY2007 and FY2008 as set out in Appendix A of this Offer Document
"CPF"	:	Central Provident Fund
"Director"	:	A director of our Company as at the date of this Offer Document
"EPS"	:	Earnings per Share
"Executive Director"	:	An executive Director of our Company as at the date of this Offer Document
"FY"	:	Financial year ended or, as the case may be, ending 31 December
"Independent Director"	:	An independent non-executive Director of our Company as at the date of this Offer Document
"ISO9001"	:	The part of the ISO9000 series "Quality System – Model for quality assurance in design/development, productions, installation and servicing" which covers the following areas: quality management system, management responsibility, resource management, product realisation, measurement, analysis and improvement
"Key Executives"	:	Our key executives as at the date of this Offer Document whose names are set out in the section entitled "Key Executives" of this Offer Document
"Latest Practicable Date"	:	31 May 2009, being the Latest Practicable Date before the lodgement of this Offer Document with the Exchange
"Listing"	:	The listing of the Shares on Catalist
"Listing Manual"	:	Listing manual of the SGX-ST
"Malaysia Plant"	:	Our manufacturing facilities located at No. 10 Jalan Istimewa 7, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor, Malaysia, and No. 11, Jalan Gemilang 3, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor, Malaysia
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"Management Agreement"	:	The full sponsorship and management agreement between our Company, the Vendor and PPCF pursuant to which PPCF shall sponsor and manage the Listing, details as described in the sections entitled "Plan of Distribution" and "General and Statutory Information" of this Offer Document
"NAV"	:	Net asset value
"New Shares"	:	The 16,000,000 new Shares for which our Company invites applications to subscribe for pursuant to the Placement, upon the terms and subject to the conditions set out in this Offer Document
"Nominating Committee"	:	The nominating committee of our Company as at the date of this Offer Document

"Non-Executive Director"	:	A non-executive Director of our Company as at the date of this Offer Document
"NTA"	:	Net tangible assets
"Placement"	:	The placement of the Placement Shares by the Placement Agent on behalf of our Company and the Vendor for subscription and/or purchase at the Placement Price, upon the terms and subject to the conditions set out in this Offer Document
"Placement Agreement"	:	The placement agreement entered into between our Company, the Vendor and the Placement Agent pursuant to which the Placement Agent shall subscribe and/or purchase or procure subscriptions for the Placement Shares at the Placement Price as described in the sections entitled "Plan of Distribution" and "General and Statutory Information" of this Offer Document
"Placement Price"	:	S$0.27 for each Placement Share
"Placement Shares"	:	The 19,000,000 Shares which are the subject of the Placement, comprising 16,000,000 New Shares and 3,000,000 Vendor Shares
"Plants"	:	PRC Plant, Malaysia Plant and Singapore Plant
"PRC"	:	People's Republic of China, but for the purposes of this Offer Document and for geographical reference only (unless otherwise indicated) excludes Macau Special Administration Region, Hong Kong Special Administration Region and Taiwan
"PRC Plant"	:	Our manufacturing facilities located at Nos. 8, 15 and 28 Jiefang Road, Kunshan Development Zone, Jiangsu Province, the PRC (江苏省昆山经济技术开发区街坊路8, 15及28号), and No. 8 Shaojin Road, Kunshan Development Zone, Jiangsu Province, the PRC (江苏省昆山经济技术开发区邵泾路8号)
"PBIT"	:	Profit before income tax
"R&D"	:	Research and development
"Remuneration Committee"	:	The remuneration committee of our Company as at the date of this Offer Document
"Restructuring Exercise"	:	The restructuring exercise implemented in connection with the Placement, more fully described in the section entitled "Restructuring Exercise" of this Offer Document
"Securities Account"	:	The securities account maintained by a depositor with CDP but does not include a securities sub-account
"Securities and Futures Act" or "SFA"	:	The Securities and Futures Act (Chapter 289) of Singapore as amended from time to time
"Service Agreements"	:	The service agreements entered into between our Company and our Executive Directors as described in the section entitled "Service Agreements" of this Offer Document
"Share Split"	:	The sub-division of every ordinary share into five (5) ordinary shares as described in the section entitled "Share Capital" of this Offer Document

"Shares"	:	Ordinary shares in the capital of our Company
"Singapore Plant"	:	Our manufacturing facilities located at No. 2 Woodlands Sector 1 #01-33 and #01-35 Woodlands Spectrum 1 Singapore 738068, and No. 203 Woodlands Ave 9 #01-52 Woodlands Spectrum 2 Singapore 738956
"Substantial Shareholders"	:	Persons who have an interest in the Shares where the total votes attached to such Shares are not less than 5% of the aggregate of the votes attained to all the voting Shares of our Company
"Vendor"	:	Chua Kim Guan
"Vendor Shares"	:	The 3,000,000 issued and fully paid-up Shares owned by the Vendor for which the Vendor invites applications to purchase on the terms and subject to the conditions set out in this Offer Document

Currencies

"S$" or "$"	:	Singapore dollars
"RM"	:	Malaysian Ringgit
"RMB"	:	PRC Renminbi
"US$"	:	United States dollars

Units and Others

"%" or "per cent."	:	Per centum
"n.a."	:	Not applicable
"NM"	:	Not meaningful
"sq m"	:	Square metres

The expressions "Associate", "Associated Company", "Associated Entity", "Controlling Interest-Holder", "Related Corporation", "Related Entity", "Entity At Risk", "Interested Person", "Interest Person Transaction", "Subsidiary", "Subsidiary Entity" and "Substantial Interest Holder" shall have the meanings ascribed to them respectively in the Fourth Schedule of the Securities And Futures (Offers Of Investments) (Shares And Debentures) Regulations 2005 and the Companies Act.

The expression "Business Trust" has the same meaning as in section 2 of the Business Trusts Act (Chapter 31A of Singapore).

The expression "Controlling Shareholder" has the meaning ascribed to it in the Listing Manual.

The expression "Entity" includes a corporation, an unincorporated association, a partnership and the government of any state, but does not include a trust.

The expressions "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

References in this Offer Document to Appendix or Appendices are references to an appendix or appendices respectively to this Offer Document.

Any discrepancies in tables included herein between the total sum of amounts listed and the totals shown are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

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 and *vice versa*. References to persons shall include corporations.

Any reference in this Offer Document and the Application Forms 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, the Securities and Futures Act or any statutory modification thereof and used in this Offer Document and the Application Forms shall, where applicable, have the meaning ascribed to it under the Companies Act, the Securities and Futures Act or any statutory modification thereto, as the case may be.

Any reference in this Offer Document and the Application Forms to Shares being allotted and/or allocated to you includes allotment and/or allocation to CDP for your account.

Any reference to a time of day in this Offer Document or the Application Forms is a reference to Singapore time unless otherwise stated.

Any reference to "we", "us" and "our" in this Offer Document is a reference to our Company, our Group or any member of our Group as the context requires.

Certain names with Chinese characters have been translated into English names. Such translations are provided solely for the convenience of investors, may not have been registered with the relevant PRC authorities and should not be construed as representations that the English names actually represent the Chinese characters.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of our business, the following glossary provides a description of some of the technical terms and abbreviations commonly found in our industry. The terms and their assigned meanings may not correspond to standard industry or common meanings, as the case may be, or usage of these terms:

"CAD"	:	Computer-aided design
"CAM"	:	Computer-aided manufacture
"CNC"	:	Computer numeric control which is the control of equipment through computer-controlled programming
"DFM"	:	Design for manufacturability is the general engineering art of designing products in such way that are easy to manufacture
"EDM"	:	Electric discharge machine
"MDF"	:	Design, fabrication and sale of precision plastic injection moulds
"OEM"	:	Original equipment manufacturers
"PPIM"	:	Precision plastic injection moulding
"Value Added Services"	:	PPIM related value-added services such as laser etching, ultrasonic welding, printing, spray painting, polishing and sub-assembly

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by the Vendor, us or our Directors, Key Executives or employees acting on our behalf, that are not statements of historical fact, constitute "forward-looking statements". You can identify some of these forward-looking statements by terms such as "expects", "believes", "plans", "intends", "estimates", "anticipates", "may", "will", "would" and "could" or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including without limitation, statements as to:

(a) our revenue and profitability;

(b) expected growth in demand;

(c) expected industry trends;

(d) anticipated expansion plans; and

(e) other matters discussed in this Offer Document regarding matters that are not historical fact,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements.

These risks, uncertainties and other factors include, among others:

(a) our dependency on Apple and its intermediaries and our exposure to the risk of delays, claims, reductions or cancellation of orders from them;

(b) changes in political, social and economic conditions and the regulatory environment in Singapore and other countries in which we conduct business;

(c) changes in currency exchange rates;

(d) our anticipated growth strategies and expected internal growth;

(e) changes in customer preferences;

(f) changes in competitive conditions and our ability to compete under such conditions;

(g) changes in our future capital needs and the availability of financing and capital to fund such needs; and

(h) other factors beyond our control.

Some of these risk factors are discussed in more detail under the section entitled "Risk Factors" of this Offer Document.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Document, undue reliance must not be placed on these statements which apply only as at the date of this Offer Document. None of the Vendor, our Company, the Manager and Sponsor as well as the Placement Agent or any other person represents or warrants that our Group's actual future results, performance or achievements will be as discussed in those statements.

Our actual results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. We, the Vendor, the Manager and Sponsor as well as the Placement Agent disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances. We are, however, subject to the provisions of the SFA and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after the registration of this Offer Document but before the close of the Placement, our Company becomes aware of (a) a false or misleading statement or matter in the Offer Document; (b) an omission from the Offer Document of any information that should have been included in it under Section 243 of the SFA; or (c) a new circumstance that has arisen since the Offer Document was lodged with the SGX-ST and would have been required by Section 243 of the SFA to be included in the Offer Document if it had arisen before the Offer Document was lodged and that is materially adverse from the point of view of an investor, our Company may lodge a supplementary or replacement offer document with the SGX-ST.

SELLING RESTRICTIONS

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for and/or purchase our Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory authorities of, any jurisdiction, except for the filing and/or registration of this Offer Document in Singapore in order to permit a public offering of our Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of our Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by our Company, the Vendor, the Manager and Sponsor as well as the Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us.

Persons to whom a copy of this Offer Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

DETAILS OF THE PLACEMENT

LISTING ON CATALIST

We have made an application to the SGX-ST for permission to deal in, and for quotation of, all our Shares already issued (including the Vendor Shares) and the New Shares, which are the subject of the Placement, on the Catalist. Such permission will be granted when we have been admitted to the Catalist. Our acceptance of applications will be conditional upon, *inter alia*, the issue of New Shares and upon permission being granted by the SGX-ST to deal in, and for quotation of, all our existing issued Shares (including the Vendor Shares) as well as the New Shares. If the said permission is not granted for any reason, monies paid in respect of any application accepted will be returned, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk, and the applicant will not have any claim against us, the Vendor, the Manager and Sponsor as well as the Placement Agent. No Shares will be allotted on the basis of this Offer Document later than six months after the date of registration of this Offer Document by the SGX-ST on behalf of the Authority.

Companies listed on the Catalist may carry higher investment risk when compared with larger or more established companies listed on the SGX-ST Main Board. In particular, companies may list on the Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on the Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor certifying that the Company is suitable to be listed and complies with the Catalist Rules. Neither the Authority nor the SGX-ST has in any way considered the merits of the shares or units of shares being offered for investment.

Admission to the Catalist is not to be taken as an indication of the merits of the Placement, our Company, its Subsidiaries, our existing issued Shares (including the Vendor Shares) or the New Shares.

A copy of this Offer Document has been lodged with the SGX-ST acting as agent on behalf of the Authority. The registration of this Offer Document by the SGX-ST on behalf of the Authority does not imply that the SFA, or any other legal or regulatory requirements, have been complied with. The SGX-ST has not, in any way, considered the merits of our existing issued Shares (including the Vendor Shares) or the New Shares, as the case may be, being offered or in respect of which an invitation is made, for investment. We have not lodged this Offer Document in any other jurisdiction.

We are subject to the provisions of the SFA and the Catalist Rules regarding corporate disclosure. In particular, if after the registration of this Offer Document but before the close of the Placement, we become aware of:

(a) a false or misleading statement or matter in the Offer Document;

(b) an omission from the Offer Document of any information that should have been included in it under Section 243 of the SFA; or

(c) a new circumstance that has arisen since the Offer Document was lodged with the SGX-ST that would have been required by Section 243 of the SFA to be included in the Offer Document if it had arisen before this Offer Document was lodged,

that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement offer document with the SGX-ST.

In the event that a supplementary or replacement offer document is lodged with the SGX-ST, the Placement shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for and/or purchase the Placement Shares and:

(a) where the Placement Shares have not been issued and/or transferred to the applicants, our Company and the Vendor shall:

    (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, and provide the applicants with an option to withdraw their applications and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;

    (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or

    (iii) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and our Company (and on behalf of the Vendor) shall return all monies paid in respect of any application, without interest or a share of revenue or other benefit arising therefrom; or

(b) where the Placement Shares have been issued and/or transferred to the applicants, our Company and the Vendor shall:

    (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, and provide the applicants with an option to withdraw their applications and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;

    (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to our Company and/or the Vendor the Placement Shares, which they do not wish to retain title in; or

    (iii) treat the issue and/or sale of the Placement Shares as void, in which case the issue and/or sale shall be deemed void and our Company (and on behalf of the Vendor) shall return all monies paid in respect of any application, without interest or a share of revenue or other benefit arising therefrom.

Any applicant who wishes to exercise his option under paragraph (a)(i) or (a)(ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify our Company of this, whereupon our Company (and on behalf of the Vendor) shall, within seven (7) days from the receipt of such notification, return the application monies without interest or any share of revenue or other benefit arising therefrom and at his own risk, and such applicant will not have any claim against our Company, the Vendor, the Manager and Sponsor as well as the Placement Agent.

An applicant who wishes to exercise his option under paragraph (b)(i) or (b)(ii) to return the Placement Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify our Company of this and return all documents, if any, purporting to be evidence of title to those Placement Shares to our Company, whereupon our Company (and on behalf of the Vendor) shall, within seven (7) days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those Shares, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the issue of those Shares shall be deemed to be void, and he will not have any claim against our Company, the Vendor, the Manager and Sponsor as well as the Placement Agent.

This Offer Document has been seen and approved by our Directors and the Vendor and they individually and collectively accept full responsibility for the accuracy of the information given in this Offer Document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and all expressions of opinion, intention and expectation in this Offer Document are fair and accurate in all material respects as at the date of this Offer Document and that there are no material facts the omission of which would make any statements in the Offer Document misleading, and that this Offer Document constitutes full and true disclosure of all material facts about the Placement and our Group.

Neither our Company, the Vendor, the Manager and Sponsor as well as the Placement Agent nor any other parties involved in the Placement is making any representation to any person regarding the legality of an investment by such person under any investment or other laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own professional or other advisers for business, legal or tax advice regarding an investment in our Shares.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Placement and, if given or made, such information or representation must not be relied upon as having been authorised by us, the Vendor, the Manager and Sponsor as well as the Placement Agent. Neither the delivery of this Offer Document and the Application Forms nor any documents relating to the Placement, nor the Placement shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in our affairs or in the statements of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or are required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we may make an announcement of the same to the SGX-ST and the public and if required, we may lodge a supplementary or replacement offer document with the SGX-ST and will comply with the requirements of the SFA and/or any other requirements of the SGX-ST. All applicants should take note of any such announcements and, upon the release of such an announcement, shall be deemed to have notice of such changes.

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to our future performance or policies. The Placement Shares are offered for subscription and/or purchase solely on the basis of the information contained and representations made in this Offer Document.

This Offer Document has been prepared solely for the purpose of the Placement and may not be relied upon by any persons other than the applicants in connection with their application for the Placement Shares or for any other purpose.

This Offer Document does not constitute an offer, solicitation or invitation of the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or unauthorised nor does it constitute an offer, solicitation or invitation to any person to whom it is unlawful to make such offer, solicitation or invitation.

Copies of this Offer Document and the Application Forms may be obtained on request, subject to availability during office hours, from:

PrimePartners Corporate Finance Pte. Ltd. **1 Raffles Place** **#30-03 OUB Centre** **Singapore 048616**	**DMG & Partners Securities Pte Ltd** **20 Raffles Place** **#22-01 Ocean Towers** **Singapore 048620**

A copy of this Offer Document is also available on the SGX-ST website http://www.sgx.com.

The Application List will open immediately upon the registration of this Offer Document by the SGX-ST acting as an agent on behalf of the Authority and will remain open until 12.00 noon on 9 July 2009 or for such further period or periods as our Directors and the Vendor may, in consultation with the Manager and Sponsor as well as the Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws and regulations. In the event a supplementary offer document or replacement offer document is lodged with the SGX-ST acting as agent on behalf of the Authority, the Application List will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.

Details of the procedures for application of the Placement Shares are set out in Appendix B of this Offer Document.

INDICATIVE TIMETABLE FOR LISTING

The indicative timetable is set out below for the reference of applicants:

Indicative date/time	Event
9 July 2009, 12.00 noon	Close of Application List
10 July 2009, 9.00 a.m.	Commence trading on a "ready" basis
16 July 2009	Settlement date for all trades done on a "ready" basis

The above timetable is only indicative as it assumes that the date of closing of the Application List will be on 9 July 2009, the date of admission of our Shares to the Catalist will be 10 July 2009, the SGX-ST shareholding spread requirement will be complied with and the New Shares will be issued and fully paid-up prior to 10 July 2009.

The above timetable and procedure may be subject to such modification as the SGX-ST may, in its absolute discretion, decide, including the decision to permit trading on a "ready" basis and the commencement date of such trading.

In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same:

(i) through a SGXNET announcement to be posted on the Internet at the SGX-ST website http://www.sgx.com; and

(ii) in local English and Chinese newspapers.

We will publicly announce the level of subscription and the results of the distribution of the Placement Shares pursuant to the Placement, as soon as it is practicable after the close of the Application List through the channels in (i) above.

You should consult the SGX-ST announcement on "ready" trading date on the Internet (at the SGX-ST website http://www.sgx.com) or the newspapers, or check with your brokers on the date on which trading on a "ready" basis will commence.

THE PLACEMENT

Placement Size	:	19,000,000 Placement Shares comprising 16,000,000 New Shares and 3,000,000 Vendor Shares. The New Shares, which form part of the Placement, will, upon issue and allotment, rank *pari passu* in all respects with our existing issued Shares.
Placement Price	:	S$0.27 for each Placement Share.
Purpose of Placement	:	Our Directors consider that the listing and quotation of our Shares on the Catalist will enhance our public image and enable us to tap the capital markets for the expansion of our business operations. The Placement will also provide the members of the public with an opportunity to participate in the equity of our Company. In addition, the proceeds of the issue of the New Shares will also provide us with additional working capital to finance our business expansion.
The Placement	:	The Placement comprises a placement of 19,000,000 Placement Shares by way of placement, subject to and on the terms of this Offer Document.
Listing Status	:	Prior to the Placement, there had been no public market for our Shares. Our Shares will be quoted on the Catalist, subject to the admission of our Company to the Catalist and permission for dealing in and for quotation for our Shares being granted by the SGX-ST.

PLAN OF DISTRIBUTION

The Placement is for 16,000,000 New Shares and 3,000,000 Vendor Shares offered in Singapore and the Listing is managed and sponsored by PPCF.

The Placement Price was determined by our Directors, the Vendor and us in consultation with the Manager and Sponsor as well as the Placement Agent based on market conditions and estimated market demand for our Shares determined through a book-building process. The Placement Price is the same for all Placement Shares and is payable in full on application.

Pursuant to the Management Agreement entered between us, the Vendor and PPCF as set out in the section entitled "General and Statutory Information – Management and Placement Arrangements" of this Offer Document, we have appointed PPCF and PPCF has agreed to manage and to be full sponsor of the Listing.

The Placement Shares are made available to retail and institutional investors at the Placement Price who apply through their brokers or financial institutions by way of application forms. Applications for Placement Shares may only be made by way of printed Application Forms as described in Appendix B of this Offer Document.

Pursuant to the Placement Agreement entered into between us, the Vendor, and the Placement Agent as set out in the section entitled "General and Statutory Information – Management and Placement Arrangements" of this Offer Document, we have appointed DMG as the Placement Agent and DMG has agreed, to subscribe and/or purchase or procure suscriptions for and/or purchasers for the Placement Shares for a placement commission of 3.0% of the Placement Price payable by us and the Vendor in the Agreed Proportion. The Placement Agent may, at its absolute discretion, appoint one or more sub-placement agents for the Placement Shares.

Subscribers of Placement Shares may be required to pay brokerage (and if so required, such brokerage will be up to 1.0% of the Placement Price), as well as stamp duties and other similar charges.

None of our Substantial Shareholders or Directors intends to subscribe for and/or purchase Shares in the Placement. As far as we are aware, none of the members of our Company's management or our employees intend to subscribe for and/or purchase more than 5% of the Placement Shares in the Placement.

To the best of our knowledge, we are unaware of any person who intends to subscribe for more than 5% of the Placement Shares. However, through a book-building process to assess market demand for our Shares, there may be persons who may indicate their interests to subscribe for more than 5% of the Placement Shares. If such persons were to make an application for more than 5% of the Placement Shares pursuant to the Placement and subsequently be allotted such number of Shares, we will make the necessary announcements at an appropriate time. The final allotment of the Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 406 of the Catalist Rules.

Further, no Share shall be allotted on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document.

Interests of Manager and Sponsor

In the reasonable opinion of our Directors, PPCF, does not have a material relationship with our Company save as disclosed below and in the section entitled "General and Statutory Information – Management and Placement Arrangements" of this Offer Document:

PPCF is the Manager and Sponsor of the Listing:

(a) PPCF will be the continuing Sponsor of our Company for a period of three (3) years from the date our Company is admitted and listed on the Catalist; and

(b) Pursuant to an agreement between PPCF and our Executive Chairman, Chua Kim Guan in relation to the Management Agreement on part payment for PPCF's fees as the Manager and Sponsor, Chua Kim Guan agreed to transfer 1,851,852 Shares which is equivalent in value to S$500,000 (being part of PPCF's fees) as based on the Placement Price. The above transfer will be completed after the Latest Practicable Date and prior to the listing of our Company on Catalist.

Interests of Placement Agent

In the reasonable opinion of our Directors, the Placement Agent, DMG, does not have a material relationship with our Company save as disclosed in the section entitled "General and Statutory Information – Management and Placement Arrangements" of this Offer Document.

CLEARANCE AND SETTLEMENT

Upon listing and quotation on the Catalist, our Shares will be traded under the book-entry settlement system of the CDP, and all dealings in and transactions of the Shares through the Catalist will be effected in accordance with the terms and conditions for the operation of securities accounts with the CDP, as amended from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, securities accounts with CDP. Persons named as direct securities account holders and depository agents in the depository register maintained by the CDP, rather than CDP itself, will be treated, under our Articles and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective securities accounts.

Persons holding our Shares in securities account with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on the Catalist, although they will be *prima facie* evidence of title and may be transferred in accordance with our Articles. A fee of S$10.00 for each withdrawal of 1,000 Shares or less and a fee of S$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing the Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S$2.00 or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of S$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or S$0.20 per S$100.00 or part thereof of the last-transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on the Catalist must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective securities accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S$10.00 is payable upon the deposit of each instrument of transfer with CDP.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's securities account being debited with the number of Shares sold and the buyer's securities account being credited with the number of Shares acquired. No transfer of stamp duty is currently payable for the Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on the Catalist is payable at the rate of 0.04% of the transaction value subject to a maximum of S$600.00 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to Singapore Goods and Services Tax at the prevailing rate of 7% (or such other rate prevailing from time to time).

Dealings of our Shares will be carried out in Singapore dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the Catalist generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in securities accounts. An investor may open a direct account with CDP or a sub-account with a CDP depository agent. The CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

Net proceeds from the sale of New Shares

The net proceeds attributable to us from the issue of our New Shares (after deducting the estimated cash expenses in relation to the Placement of approximately S$1.52 million) will be approximately S$2.80 million. These estimated cash expenses do not include such part of PPCF's fees that will be paid by the Vendor to PPCF by way of transfer of Shares. For details, please refer to the section entitled "Plan of Distribution" of this Offer Document.

We intend to use the net proceeds for the following purposes:

Intended Use	S$'000	Amount allocated for each dollar of the proceeds raised from the Placement (as a % of the gross proceeds)
Acquisition of machineries	1,500	34.7
Working capital purposes	1,296	30.0
	2,796	64.7

Please refer to the section entitled "Prospects, Business Strategies and Future Plans" of this Offer Document for more details.

As the net proceeds are only sufficient for the partial funding of the acquisition of machineries, the estimated balance of approximately S$2.0 million will be funded by internal resources or bank borrowings.

Pending the deployment of the net proceeds as aforesaid, the net proceeds may be added to our Group's working capital, placed as deposits with banks or financial institutions, or used for investments in short-term deposits, money market or debt instruments, as our Directors may deem appropriate in their absolute discretion.

We shall announce on the SGXNET as and when the proceeds of the Placement have been materially disbursed, and to provide a status report on the use of proceeds of the Placement in the annual report(s) of our Company.

In the opinion of our Directors, no minimum amount must be raised from the Placement.

None of the proceeds of the Placement will be used to discharge, reduce or retire any indebtedness of our Group.

Net proceeds from the sale of the Vendor Shares

The net proceeds attributable to the Vendor from the sale of the Vendor Shares (after deducting the Vendor's share of the estimated placement commission in relation to the sale of the Vendor Shares of approximately S$24,300) will be approximately S$0.8 million. The estimated placement commission is computed based on a commission of 3.0% of the Placement Price payable for each Vendor Share.

Listing Expenses

The estimated amount of cash expenses of the Placement and of the application for listing, including management fee, professional and accounting fees and all other incidental expenses in relation to this Placement to be borne by our Company and the Vendor is approximately S$1.55 million. A breakdown of the estimated expenses to be borne by our Company is as follows:

Listing Expense	S$'000	Amount allocated for each dollar of the proceeds raised from the Placement (as a % of the gross proceeds)
Listing Fees	32	0.7
Professional Fees[1]	1,062	24.6
Placement commission[2]	130	3.0
Miscellaneous expenses	300	7.0
	1,524	35.3

Notes:

(1) This excludes professional fees of approximately S$0.5 million paid by our Executive Chairman, Chua Kim Guan, to PPCF by way of transfer of 1,851,852 Shares at the Placement Price for each Share.

(2) A commission of 3.0% of the Placement Price is payable for each New Share offered by our Company.

The listing expenses to be paid by the Vendor is approximately S$0.52 million, comprising the professional fees of S$0.5 million to be paid by the Vendor to PPCF by way of transfer of Shares and placement commission of approximately S$24,300 for the Vendor Shares.

Please see section entitled "General and Statutory Information – Management and Placement Arrangements" of this Offer Document for more details.

OFFER DOCUMENT SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information and financial statements (including the notes thereto) appearing elsewhere in this Offer Document. You should carefully consider all the information presented in this Offer Document, particularly the matters set out in the section entitled "Risk Factors" of this Offer Document before making an investment decision.

OUR COMPANY

On 18 March 2009, our Company was incorporated in Singapore under the Singapore Companies Act as a private company limited by shares under the name of "JLJ Holdings Pte Ltd". On 19 May 2009, our Company was converted into a public limited company and we changed our name to "JLJ Holdings Limited".

Pursuant to the Restructuring Exercise as described in the section entitled "Restructuring Exercise" in this Offer Document, our Company acquired the entire issued share capital of EMold Holding, Jin Li Mould and EMold Plastics and became the holding company of our Group.

Our Company registration number is 200904797H. Our registered office is located at 19 Keppel Road #03-10 Jit Poh Building Singapore 089058 whereas our principal office is at No. 2 Woodlands Sector 1 #01-35 Woodlands Spectrum 1 Singapore 738068. Our telephone number is +65 6483 3520 and our facsimile number is +65 6752 7342.

OUR BUSINESS

We are principally engaged in the following:

(a) MDF; and

(b) provision of PPIM services.

MDF Business

We produce plastic injection moulds for the consumer electronics, household appliances, automotive and computer peripherals industries. Such moulds are then used to manufacture different types of precision plastic components which are typically used as parts of our customers' finished products, such as mobile phones, household appliances, computer peripherals MP3 players, and automotive components.

PPIM Business

We offer a variety of PPIM services including single-shot moulding, double-shot moulding, insert moulding and gas-assisted moulding. Each type of moulding allows different types of precision plastic components to be produced, allowing us to produce a wide range of precision plastic components which are typically used as parts of our customers' finished products including mobile phones, computer peripherals and MP3 players.

We also offer Value Added Services, which entail sub-assembly, laser etching, ultrasonic welding, printing services and mechanical assembly services.

A detailed discussion of our business and the services we provide is set out in the section entitled "Business Overview" of this Offer Document.

OUR FINANCIAL PERFORMANCE

Our financial performance for FY2006, FY2007 and FY2008 is summarised below. Please refer to the section entitled "Management's Discussion and Analysis of Financial Condition and Result of Operations" of this Offer Document and the Combined Financial Statements as set out as Appendix A.

	For the financial year ended 31 December		
S$'000	**2006**	**2007**	**2008**
Revenue	38,904	49,010	50,829
Net (loss) / profit	(7)	5,784	4,875

OUR COMPETITIVE STRENGTHS

We believe that our competitive strengths are as follows:

(a) Experienced and committed management team;

(b) High standard of services;

(c) Strong and close relationship with our customers; and

(d) Broad and comprehensive range of PPIM services in low cost facilities in Malaysia and the PRC.

A detailed discussion of our competitive strengths is set out in the section entitled "Competitive Strengths" of this Offer Document.

OUR BUSINESS STRATEGY AND FUTURE PLANS

Our strategies and future plans for the continued growth of our business are as follows:

(a) Increase of our production capacity by the acquisition of PPIM machines for our Malaysia Plant and PRC Plant;

(b) Expansion of our customer base in the existing business segments and development of new business segments;

(c) Transformation of our Singapore Plant into a technical support hub and manufacturing centre for niche products;

(d) Leveraging on the geographical advantages and labour costs in low-cost manufacturing sites;

(e) Expand our range of services so as to be an integrated service provider; and

(f) Explore opportunities in strategic investments or alliances and acquisitions.

A detailed discussion of our business strategy is set out in the section entitled "Business Strategies and Future Plans" in this Offer Document.

ISSUE STATISTICS

PLACEMENT PRICE	27.0 cents
NTA	
NTA per Share based on the combined balance sheet of our Group as at 31 December 2008	
(a) before adjusting for the estimated net proceeds of the New Shares and based on the pre-Placement share capital of 107,551,245 Shares	19.8 cents
(b) after adjusting for the estimated net proceeds of the New Shares and based on the post-Placement share capital of 123,551,245 Shares	19.5 cents
Premium of Placement Price per Share over the NTA per Share:	
(a) before adjusting for the estimated net proceeds of the New Shares and based on the pre-Placement share capital of 107,551,245 Shares	36.5%
(b) after adjusting for the estimated net proceeds of the New Shares and based on the post-Placement share capital of 123,551,245 Shares	38.6%
EARNINGS	
Historical net EPS of our Group for FY2008 based on the pre-Placement share capital of 107,551,245 Shares	4.5 cents
Historical net EPS of our Group for FY2008 had the Service Agreements been in place from the beginning of FY2008(2) and based on the pre-Placement share capital of 107,551,245 Shares	4.4 cents
PRICE EARNINGS RATIO	
Historical price earnings ratio based on the Placement Price and the historical net EPS of our Group for FY2008	6.0 times
Historical price earnings ratio based on the Placement Price and the historical net EPS of our Group for FY2008 had the Service Agreements been in place from the beginning of FY2008(2)	6.1 times
NET OPERATING CASH FLOW(1)	
Historical net operating cash flow per Share of our Group for FY2008 based on the pre-Placement share capital of 107,551,245 Shares	10.0 cents
Historical net operating cash flow per Share of our Group for FY2008 had the Service Agreements been in place from the beginning of FY2008(2) and based on the pre-Placement share capital of 107,551,245 Shares	9.9 cents
PRICE TO NET OPERATING CASH FLOW	
Historical price to net operating cash flow ratio based on the Placement Price and the historical net operating cash flow per Share for FY2008	2.7 times
Historical price to net operating cash flow ratio based on the Placement Price and the historical net operating cash flow per Share for FY2008 had the Service Agreements been in place from the beginning of FY2008(2)	2.7 times

MARKET CAPITALISATION

Market capitalisation based on the Placement Price and post-Placement share capital of 123,551,245 Shares	S$33.4 million

Note(s):

(1) Net operating cash flow is defined as net cash generated from operating activities which is derived from net profit after adjustments as set out in the Combined Financial Statements as set out in Appendix A of this Offer Document.

(2) Had the Service Agreements been in place from the beginning of FY2008, our net profit for FY2008 would have been approximately S$4,728,221.

RISK FACTORS

You should evaluate carefully each of the following considerations and all of the other information set forth in this Offer Document before deciding to invest our Shares. Some of the following considerations relate principally to the industry in which we operate and our business in general. Other considerations relate principally to general social, economic, political and regulatory conditions, the securities market and ownership of our Shares, including possible future dilution in value of our Shares.

If any of the following considerations and uncertainties develop into actual events, our business, financial condition or results of operations could be materially and adversely affected. In such case, the trading price of our Shares could decline due to any of these considerations, and you may lose all or part of your investment.

Apart from the specific factors listed below and general business and economic conditions to which all commercial businesses are exposed to, we are of the view that we are not vulnerable in any material way to any other factors which can be reasonably anticipated.

RISKS RELATING TO OUR BUSINESS OR THE INDUSTRY

We are dependent on Apple and its intermediaries and are exposed to the risk of delays, claims, reductions or cancellations of orders from them

We are dependent on Apple and its intermediaries, who in aggregate, accounted for approximately 70.8%, 64.7% and 82.5% of our revenue for FY2006, FY2007 and FY2008 respectively. Please refer to the section entitled "Our Major Customers" of this Offer Document for further details.

In the event of any material delay, claim, reduction or cancellation of orders by any of our major customers and we are unable to obtain substitute orders of comparable sizes from other existing or new customers, our businsess and financial performance will be adversely affected.

There can be no assurance that we will be able to retain Apple and its intermediaries as our customers or continue to receive orders from them at current levels in the future. There is also no assurance that we will be able to decrease our dependence on Apple and its intermediaries over time.

We may be materially and adversely affected by the current global economic downturn which (i) would affect demand for our services and (ii) result in tightening of the credit environment

As stated in the section entitled "Prospects" of this Offer Document, our Directors view our growth to be driven primarily by corresponding growth in the industries that we predominantly serve, namely the consumer electronics, computer peripherals, automotive and domestic electrical appliances.

The stress in the financial market of the United States that first emerged in July 2007, turned into a global financial crisis in September 2008 when global credit markets and stock markets were affected and remain volatile, and the outlook of global economies was plunged into and continues to be shrouded in uncertainty. A prolonged economic downturn or further deterioration of global economies will depress consumer spending and lower demand for products across all industries including those of our customers whom we serve. To the extent that such decreased demand dampens manufacturing output of our customers, in particular, Apple for whom we are reliant, customer demands for our services will be correspondingly reduced. Such economic downturn may also exert a downward pressure on the selling prices of our products as customers seek cost reductions in their product manufacture, which may also result in further erosion of our profit margins that we have begun to experience in FY2008.

If such contraction in demand for our services prove significant, our Group's profits and financial performance will be materially affected and if such contraction should be experienced in FY2009, our performance for FY2009 may also be significantly poorer than that for FY2008.

The economic downturn has, and may continue to, adversely impact the credit environment. If economic downturn persists or aggravates, we may have difficulty obtaining new bank loans to fund the operations of our Group and prospective expansion, and there will also be no assurance that our existing bank facilities will not be withdrawn or ceased, or that we will be able to renew such bank facilities.

We are dependent on the consumer electronics and computer peripherals industries which are characterised by rapid technology changes and changing consumer preferences

Our products and services are supplied to companies which are in the consumer electronics, computer peripherals, automotive and household appliances industries. Therefore, the demand for our Group's products and services is largely derived from the demand of the end products in these industries especially the consumer electronics and computer peripherals industries. Our customers for the consumer electronics and computer peripherals industries, accounted for approximately 91.0%, 77.4% and 91.7% of our revenue for FY2006, FY2007 and FY2008 respectively. Such customers include Apple and its intermediaries and Hewlett Packard. Such industries are characterised by rapid technology changes, short product life cycles and rapid technology obsolescence. These characteristics lead to new products being introduced into the market at a faster pace which may also cause the selling prices of our existing products to drop.

We and/or our customers may not be able to anticipate and react quickly to changes in such technological changes and changes in consumer preferences. In the event that our customers are unable to react quickly to changes in consumer preferences or we are unable to upgrade and expand our manufacturing capacity and capabilities to cater to such changes on a timely basis, there may be a decrease in demand for our products. Any sustained decrease in demand for our products would have a material adverse impact on our businesses and financial performance.

We do not generally enter into long-term exclusive contracts with our customers and we may be affected by changes in our customers' business operations

Our Group's business is generally not protected by long-term or exclusive contracts with our customers. Our Group's ability to maintain our price competitiveness and adhere to high quality standards is important to our ability to secure new orders or renew existing contracts.

There is no guarantee that our customers will continue to give us their orders or that the level of their orders will be maintained. As we do not enter into long-term contracts with our customers, our selling prices for some of our existing products may be subject to downward price revisions due to, among others, price competition from other suppliers.

In the event of the above and we are unable to secure sufficient additional orders from other customers, our businesses and financial performance may be adversely affected.

We may be subject to foreign exchange risk

Our sales are mainly denominated in US$ and S$. On the other hand, the cost of our sales is mainly denominated in S$, RMB and US$. Furthermore, there may be an exchange rate differential when a transaction is first recorded or invoiced and at the time of receipt of payment.

To the extent that our sales and cost of sales are not naturally matched in the same currencies and to the extent that there are timing differences between invoicing and collection or payment, any significant adverse fluctuations in foreign exchange rates will have an adverse material impact on our businesses and financial performance.

Any fluctuation in the currency exchange rates may also result in translation differences on consolidation as S$ is our reporting currency. Any such translation differences will be recorded as translation reserves or deficits as part of our shareholders' equity and may have an adverse material impact on our businesses and financial performance. We presently do not have any specific policy to hedge our foreign currency exposure and have not used any financial hedging instrument to manage our foreign exchange risk.

We may be affected by the shortage of skilled personnel and increasing costs of labour

There are competing demands for skilled personnel which in our case, is design and machining engineers and technicians, among manufacturers in our industry on a global basis. In the event that we are unable to hire adequately skilled personnel and are required to train new staff, the time required to train such personnel may affect our cost competitiveness in the short run, which may in turn adversely affect our businesses and financial performance.

With regard to our operations, the increasing cost of labour may erode our profit margins and compromise our cost effectiveness. In the event that we are unable to effectively manage the increase to the cost of labour there would be a material adverse effect to our businesses and financial performance.

We are dependent on our management team

We attribute our success to the leadership and contributions of our key management team, in particular our Executive Chairman, Chua Kim Guan, and our CEO, Ng Boon Leng. The present team, consisting of our Executive Directors and Key Executives, is responsible for implementing our business plans and driving our growth. Our continued success is largely dependent on retaining our key management personnel who work well together as a team.

The loss of our key management personnel without suitable replacements will have an adverse and material effect on our business operations and hence, our revenue and profits. The loss of the services of Chua Kim Guan and Ng Boon Leng in particular, will have an adverse impact on our businesses and financial performance.

We are dependent on the supply and prices of raw materials

The main raw materials that we require for manufacturing our products are steel and resin. Our cost for raw materials, which includes the cost for steel and resin, accounted for approximately 51.7%, 50.0% and 49.5% of our total cost of sales for each of FY2006, FY2007 and FY2008 respectively. The price of steel and resin is affected by market supply and demand.

In order to ensure timely delivery of quality products to our customers at competitive prices, we need to obtain sufficient quantities of good quality raw materials at acceptable prices in a timely manner. There is no assurance that we will be able to obtain sufficient quantities of raw materials from our suppliers which are of an acceptable quality and acceptable price in a timely manner.

In the event of any significant increases in the prices of steel and resin, and to the extent that we are unable to pass on such increases in prices to our customers or find alternative suppliers/sources of steel and resin who are able to supply us steel and resin of similar quality at competitive prices, our businesses and financial performance would be adversely affected.

Little flexibility in the selection of our suppliers

Most of our customers specify the suppliers from whom we are to purchase materials for the manufacture of plastic components. We therefore often do not have the flexibility of purchasing these materials from suppliers of our choice. This makes us dependent on a few suppliers. In the event of any significant increases in the price of these materials that are charged by such suppliers and we are unable to pass on such increases in prices to our customers, our businesses and financial performance would be adversely affected.

Our inability to maintain our competitiveness may adversely affect our financial performance

We operate in a competitive environment and face competition from existing competitors and new market entrants. Some of these existing competitors are able to manufacture products which are similar to ours and compete with us on key attributes which include scale and capacity of our production facilities, pricing, brand name, timely delivery and customer service. Competition in the products we manufacture could increase as a result of new market entrants, or our competitors may be able to price their products more attractively, or may develop or acquire technology that is comparable to or more advanced than our proprietary technical know-how.

There is no assurance that we will be able to compete successfully in the future. Any failure by us to remain competitive may adversely affect our financial performance. Please refer to the sections entitled "Competition" and "Competitive Strengths" of this Offer Document for details on our major competitors and our competitive strengths.

Our operations involve significant manufacturing risks

Our manufacturing processes are continually being improved to increase production yields and production capacity. We also manufacture new products to cater to customers' needs which may require us to implement new processes or modify existing processes to manufacture such new products. Manufacturing efficiency is thus an important factor in our ability to maintain our competitiveness. However, there can be no assurance that we can continue to maintain this aspect of our competitiveness. Although we have no prior experience of manufacturing problems which materially affected our financial performance, we may in the future experience manufacturing problems in achieving satisfactory production yields and/or product delivery delays. These problems may arise as a result of, among other factors, capacity constraints, construction delays, delay in ramping-up production at new plants and upgrading or expanding existing plants. If our manufacturing operations are unable to remain cost efficient, our future profitability will be adversely affected.

Our facilities and inventory may be affected by fire or natural calamities

Fires, floods or other natural calamities may result in significant damage to our inventory and our production facilities, which are located at Singapore, Malaysia and Kunshan, PRC. In the event that we are unable to obtain timely replacements for our inventory or equipment such as CNC machining centers and electrical discharge machines, which we anticipate will require approximately three (3) to six (6) months to replace, major disruptions to our production will result, which in turn would have significant adverse effects on our operations and financial results.

Our production facilities may be affected by power shortages

Our production facilities, which are located at Singapore, Malaysia and Kunshan, PRC, consume substantial amounts of electrical power, which is the principal source of energy for our manufacturing operations. We may experience occasional temporary power shortages disrupting production due to thunderstorms and other natural events beyond our control. These production disruptions, if prolonged, may have a significant adverse effect on our business and financial results.

We may not have sufficient insurance coverage

We have maintained insurance coverage for certain fixed assets (including our manufacturing facilities) and inventories, details of which are set out in the section entitled "Insurance" of this Offer Document. While our Group's insurance policies cover some losses in respect of damage or loss of our properties, machineries and inventories, the insurance coverage may not be sufficient to cover all our potential losses. In the event that we suffer losses greater than the coverage provided by our insurance policies, our businesses and financial performance may be materially and adversely affected.

A change in environmental protection standards could adversely affect our operating costs

At present, we are not affected by any government regulations or policies on environmental protection. However, in the course of our development and expansion, if environmental standards are raised significantly, or new environmental protection regulations are promulgated, we may face an increase in operating costs due to these issues.

Changes in general economic policies, political and social conditions could have a material adverse effect on our business and financial results

Changes in the economic policies, political and social conditions of the countries that we operate or market our products in may lead to a slowdown in our customers' business operations and consequently, may result in our customers terminating or requiring less of our services. This will have a material adverse effect on our business, financial condition and results of operations.

RISKS RELATING TO PRC

Uncertainty in the PRC legal system may make it difficult for us to predict the outcome of any disputes that we may be involved in.

The PRC legal system is based on the PRC Constitution and is premised primarily on written laws, regulations, circulars and directives. The PRC government is still in the process of developing its legal system, so as to meet the needs of investors and to encourage foreign investment. As the PRC economy is undergoing development generally at a faster pace than its legal system, some degree of uncertainty exists in connection with whether and how existing laws and regulations will apply to certain events or circumstances.

Some of the laws and regulations, and the interpretation, implementation and enforcement thereof, are still subject to policy changes. There is no assurance that the introduction of new laws, changes to existing laws and the interpretation or application thereof or the delays in obtaining approvals from the relevant authorities will not have an adverse impact on our business or prospects.

Further, precedents on the interpretation, implementation and enforcement of PRC laws and regulations are limited, and unlike other common law countries such as Singapore, decisions on precedent cases are not binding on lower courts. As such, the outcome of dispute resolutions may not be consistent or predictable as in the other more developed jurisdictions and it may be difficult to obtain swift or equitable enforcement of the laws in PRC, or obtain enforcement of judgement by a court of another jurisdiction.

Changes in the PRC governmental rules and regulations will have a significant impact on our business

Currently, our business and operations in PRC entail the procurement of licences and permits from the relevant authorities. Thus, our business and operations in PRC are subject to PRC government rules and regulations. From time to time, changes in the rules and regulations or the implementation thereof may require us to obtain additional approvals and licences from the PRC authorities for the conduct of our operations in PRC. In such event, we may need to incur additional expenses in order to comply with such requirements. This will in turn affect our financial performance as our business cost will increase. Furthermore, there can be no assurance that such approvals or licences will be granted to us promptly or at all. If we experience delay in or are unable to obtain such required approvals or licences, our operations and business in the PRC, and hence our overall financial performance will be adversely affected. Please refer to the section entitled "Permits, Approvals, Certifications and Government Regulations" of this Offer Document for details.

Our operating results and financial conditions are highly susceptible to changes in PRC's political, economic and social conditions as part of our revenue is currently derived from our operations in PRC

Since 1978, the PRC government has undertaken various reforms of its economic systems. Such reforms have resulted in economic growth for PRC in the last two decades. However, many of the reforms are unprecedented or experimental, and are expected to be refined and modified from time to time. Other political, economic and social factors may also lead to further readjustment of the reform measures. This refinement and adjustment process may consequently have a material impact on our operations in PRC or a material adverse impact on our financial performance. Our results and financial condition may be adversely affected by changes in PRC's political, economic and social conditions and by changes in policies of the PRC government or changes in laws, regulations or the interpretation or implementation thereof.

PRC foreign exchange control may limit our ability to utilise our revenue effectively and affect our ability to receive dividends and other payments from EMold Kunshan

Our PRC-incorporated Subsidiary, EMold Kunshan is subject to the PRC rules and regulations on currency conversion. In the PRC, the State Administration for Foreign Exchange ("**SAFE**") regulates the conversion of the RMB into foreign currencies. Currently, foreign investment enterprises ("**FIEs**") are required to apply to SAFE for "Foreign Exchange Registration Certificates for FIEs". With such registration certifications (which need to be examined annually), FIEs are allowed to open foreign currency accounts including the "basic account" and "capital account". Currently, conversion within the scope of the "basic account" (e.g. remittance of foreign currencies for payment of dividends, etc.) can be effected without requiring the approval of SAFE. However, conversion of currency in the "capital account" (e.g. for capital items such as direct investments, loans, securities, etc.) still requires the approval of SAFE.

The applicable law in respect of conversion of RMB into other currencies is the Regulation for Foreign Exchange Controls of the PRC ("**Regulation**") which came into effect on 1 April 1996 and amended as of 14 January 1997 and 1 August 2008. Under the Regulation:

(i) Conversion of RMB into foreign currencies for the use of recurring items, including the distribution of dividends and profits to foreign investors of FIEs is permissible and the approval of SAFE is not required, and FIEs are permitted to remit foreign currencies from their foreign currency bank accounts in the PRC upon presentation to the banks of board resolutions which authorise the distribution of profits or dividends and subject to other requirements being satisfied.

(ii) However, conversion of RMB into foreign currencies for capital items, such as repatriation of capital, repayment of loans and for securities investment, is still under control and needs the approval of SAFE.

However, there is no assurance that the PRC regulatory authorities will not impose further restrictions on the convertibility of the RMB. As a significant portion of our revenue is derived from EMold Kunshan and these revenues are mainly denominated in RMB, any future restriction on currency exchanges may limit the ability of EMold Kunshan to repatriate such revenues to our Company in the form of dividend income or otherwise.

RISKS RELATING TO MALAYSIA

We are subject to the foreign exchange legislation and regulations in Malaysia

Local and foreign investors are subject to Foreign Exchange Administration Rules in Malaysia. The rules are aimed to influence capital flows and facilitate currency risk management to promote financial and economic stability of Malaysia. These rules are reviewed regularly by Bank Negara Malaysia, the central bank of Malaysia, in line with the changing environment. As at the Latest Practicable Date, foreign investors are free to repatriate capital, divestment proceeds, profits, dividends, rental, fees and interests arising from investments in Malaysia. Any future restriction by the rules on repatriation of funds may limit our ability on dividends distribution to our shareholders from business operations in Malaysia.

RISKS RELATING TO AN INVESTMENT IN OUR SHARES

There is no prior market for our Shares and the Placement may not result in an active or liquid market for our Shares

Prior to this Placement, there has been no public market for our Shares. The SGX-ST has approved our application to list our Shares on the Catalist. However, we cannot assure you that an active public market will develop or be sustained after the Placement. Active, liquid trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors. Liquidity of a securities market is often a function of the volume of the underlying shares that are publicly held by unrelated parties.

The Placement Price has been determined through a book-building exercise and negotiations between us, the Vendor, the Manager and Sponsor, and the Placement Agent, and may not be indicative of prices that will prevail in the trading market. You may not be able to resell your Shares at or above the Placement Price. Volatility in the trading price of our Shares may be caused by factors outside our control and may be unrelated or is disproportionate to our operating results.

Our share price may be volatile in future which could result in substantial losses for investors purchasing Shares pursuant to the Placement

The trading price of our Shares may fluctuate significantly and rapidly after the Placement as a result of, among others, the following factors, some of which are beyond our control:

(i) variations of our operating results;

(ii) changes in securities analysts' estimates of our financial performance;

(iii) announcements by us of significant acquisitions, strategic alliances or joint ventures;

(iv) additions or departures of key personnel;

(v) fluctuations in stock market prices and volume;

(vi) involvement in litigation; and

(vii) changes in general economic and stock market conditions.

Future sale or issuance of Shares could adversely affect our Share price

Any future sale, availability or issuance of Shares can have a downward pressure on our Share price. The sale of a significant amount of Shares in the public market after the Placement, or the perception that such sales may occur, could materially and adversely affect the market price of our Shares. These factors also affect our ability to sell additional equity securities. Except as otherwise described in the section entitled "Moratorium" of this Offer Document, there will be no restriction on the ability of our existing Shareholders to sell their Shares either on the SGX-ST or otherwise.

Negative publicity which includes those relating to any of our Directors, Key Executives or Substantial Shareholders may adversely affect our Share price

Negative publicity or announcements relating to any of our Directors, Key Executives or Substantial Shareholders may adversely affect the market perception or the share performance of our Company, whether or not it is justified. Examples of these include unsuccessful attempts in joint venture, acquisitions or takeovers, or involvement in insolvency proceedings.

We may require additional funding for our growth plans, and such funding may result in a dilution of your investment

We attempted to estimate our funding requirements in order to implement our growth plans as set out in the section entitled "Prospects, Business Strategies and Future Plans" of this Offer Document.

In the event that the costs of implementing such plans should exceed these estimates significantly or that we come across opportunities to grow through expansion plans which cannot be predicted at this juncture, and our funds generated from our operations prove insufficient for such purposes, we may need to raise additional funds to meet these funding requirements.

These additional funds may be raised by issuing equity or debt securities or by borrowing from banks or other resources. We cannot ensure that we will be able to obtain any additional financing on terms that are acceptable to us, or at all. If we fail to obtain additional financing on terms that are acceptable to us, we will not be able to implement such plans fully. Such financing even if obtained, may be accompanied by conditions that limit our ability to pay dividends or require us to seek lenders' consent for payment of dividends, or restrict our freedom to operate our business by requiring lenders' consent for certain corporate actions.

Further, in the event we raise additional funds by way of a limited placement or by a rights offering or through the issuance of new shares, any Shareholders who are unable or unwilling to participate in such an additional round of fund raising may suffer dilution in their investment.

Investors in our Shares would face immediate and substantial dilution in the NAV per Share and may experience future dilution

Our Placement Price of S$0.27 is higher than our Group's NAV per share of S$0.20 based on the post-Placement issued share capital. If we were liquidated immediately following this Placement, each investor subscribing to this Placement would receive less than the price they paid for their Shares.

Control by our Controlling Shareholder*, *Chua Kim Guan, who will beneficially own approximately 72.7% of our enlarged share capital after the Placement respectively, may limit your ability to influence the outcome of decisions requiring the approval of Shareholders

After the completion of the Placement, our Controlling Shareholder, Chua Kim Guan, will beneficially own approximately 72.7% of our enlarged share capital after the Placement respectively. As a result, Chua Kim Guan will be able to significantly influence all matters requiring approval by our Shareholders. Such concentration of ownership will place them in a position to affect significantly our corporate actions such as mergers or takeover attempts (notwithstanding that the same may be synergistic or beneficial to our Group) in a manner that could conflict with the interests of our public Shareholders.

DIVIDEND POLICY

Our Company has not declared or paid any dividends since our incorporation on 18 March 2009.

Our Subsidiaries, Jin Li Mould and EMold Kunshan, had declared and paid dividends, to their then shareholder, our Executive Chairman, Chua Kim Guan, as set out in the table below. Save as disclosed above, none of our Subsidiaries has declared or paid dividends in the last three (3) financial years ending 31 December and for the period commencing from 1 January 2009 to the Latest Practicable Date.

	Jin Li Mould (S$'000)	**EMold Kunshan (S$'000)**
FY2006	2,811	–
FY2007	3,188	1,001
FY2008	2,018	1,658
1 January 2009 to the Latest Practicable Date	–	–

We currently do not have a formal dividend policy and have not declared or paid any dividends on our Shares since our incorporation. There can be no assurance that dividends will be paid in the future or as to the timing of any dividends that are to be paid in the future. The declaration and payment of future dividends will depend upon the factors outlined below as well as any other factors deemed relevant by our Directors:

(a) our operating results;

(b) financial conditions;

(c) our projected level of capital expenditure and other investment plans;

(d) restrictions on payment of dividends imposed on us by our financing arrangments (if any); and

(e) dividend yields of comparable companies (if any) listed in Singapore.

Subject to the above, our Directors intend to recommend and distribute dividends of not less than 20% of our net profits attributable to our Shareholders for FY2009 (the "**Proposed Dividend**"). However, investors should note that all the foregoing statements, including the statements on the Proposed Dividend, are merely statements of our present intention and shall not constitute legally binding statements in respect of our future dividends which may be subject to modification (including reduction or non-declaration thereof) in our Directors' sole and absolute discretion. Investors should not treat the Proposed Dividend as an indication of our Group's future dividend policy. No inference should or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends in any of the periods discussed.

CAPITALISATION AND INDEBTEDNESS

The following table shows our Group's cash and cash equivalents, indebtedness and capitalisation:

(i) as at 31 December 2008;

(ii) as at 30 April 2009[(1)]; and

(iii) as adjusted for the Placement.

You should read this table in conjunction with the full text of this Offer Document, in particular the section entitled "Management's Discussion and Analysis of Financial Condition and Result of Operations" of this Offer Document and the Combined Financial Statements as set out in Appendix A of this Offer Document.

	As at 31 December 2008	As at 30 April 2009[(1)]	As adjusted for the Placement
S$'000			
Cash and cash equivalents	5,237	5,085	7,881
Indebtedness			
Current			
- Short-term bank borrowings (secured)	1,161	694	694
- Bills payables (secured and guaranteed)	2,851	3,617	3,617
- Bank overdraft (secured)	2,186	2,619	2,619
- Finance lease liabilities (guaranteed)	1,118	956	956
Non-current			
- Bank borrowings (secured)	1,608	1,879	1,879
- Finance lease liabilities (guaranteed)	991	2,150	2,150
Total indebtedness	9,915	11,915	11,915
Total equity	21,510	21,908	24,904
Total indebtedness and capitalisation	31,425	33,823	36,819

Note:

(1) Prior to the Restructuring Exercise

As at 30 April 2009, there were no material changes to our capitalisation and indebtedness as disclosed above.

As at the 31 December 2008, the total banking facilities (excluding bank borrowings and finance lease) available to our Group amounted to S$15.2 million, of which S$10.2 million remain unutilised. As at 30 April 2009, the total banking facilities available to our Group amounted to S$15.2 million, of which S$9.0 million remain unutilised.

As at 30 April 2009, all our Group's banking or credit facilities are secured and/or guaranteed by personal guarantees of up to S$11.9 million from our Executive Chairman, Chua Kim Guan.

Our Executive Chairman, Chua Kim Guan, has undertaken pursuant to a letter of undertaking dated 8 June 2009 to provide the above security and/or guarantees, as well as such other security or guarantees required to maintain the credit or banking facilities which they have provided security for, until such time when we are able to secure alternative unsecured banking or credit facilities, or when we do not require such security and/or guarantees to be provided.

Contingent Liabilities

As at the Latest Practicable Date, to the best of our knowledge, information and belief, we are not aware of any contingent liabilities which may have a material effect on the financial position and profitability of our Group.

WORKING CAPITAL

The working capital available to our Group is derived from internal sources which include cashflow generated from operations, together with our existing cash and cash equivalents and external sources which include our banking and credit facilities and following the Placement, will include the proceeds from the Placement.

Our Directors are of the reasonable opinion that, after having made due and careful enquiry and after taking into account the cash flows generated from our operations, our banking facilities and our existing cash and cash equivalents, the working capital available to us as at the date of lodgement of this Offer Document is sufficient for present requirements and for at least 12 months after the listing of our Company on the Catalist.

The Sponsor is of the reasonable opinion that, after having made due and careful enquiry and after taking into account the cash flows generated from our operations, our banking facilities and our existing cash and cash equivalents, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for present requirements and for at least 12 months after the listing of our Company on the Catalist.

DILUTION

Dilution is the amount by which the Placement Price paid by the subscribers and/or purchasers of our Shares in this Placement exceeds our NAV per Share after the Placement. Our NAV per Share as at 31 December 2008 before adjusting for the estimated net proceeds due to our Company from the Placement and based on the pre-Placement issued and paid-up share capital of 107,551,245 Shares was 20.0 cents per Share.

Pursuant to the Placement in respect of 16,000,000 New Shares at the Placement Price, our NAV per Share as at 31 December 2008 after adjusting for the estimated net proceeds due to our Company from the Placement and based on the post-Placement issued and paid-up share capital of 123,551,245 Shares would have been 19.7 cents. This represents an immediate decrease in NAV per Share of 0.3 cents to our existing Shareholders and an immediate dilution in NAV per Share of 7.3 cents or approximately 27.0% to our new public investors.

The following table illustrates the dilution per Share as at 31 December 2008:

	Cents
Placement Price for each Share	27.0
NAV per Share based on the pre-Placement share capital of 107,551,245 Shares	20.0
Decrease in NAV per Share attributable to existing shareholders	0.3
NAV per Share after the Placement	19.7
Dilution in NAV per Share to new public investors	7.3

The following table summarises the total number of Shares acquired by our Directors and Substantial Shareholders during the period of three (3) years prior to the date of lodgement of this Offer Document, the total consideration paid by them and the average effective cash cost per Share to our Directors and Substantial Shareholders of Shares acquired by them from the date of incorporation, and to the new public investors who subscribe for and/or purchase the Placement Shares pursuant to the Placement:

	Number of Shares	**Total consideration ($'000)**	**Average effective cash cost per Share (cents)**
Existing shareholders / Directors			
Chua Kim Guan	107,551,245	21,510.0	20.0
Ng Boon Leng[(1)]	10,370,370	2,800.0	27.0
Tan Soon Liang[(1)]	2,471,026	2.0	0.1
New public investors	19,000,000	5,130.0	27.0

Note:

(1) Ng Boon Leng and Tan Soon Liang acquired their shares from Chua Kim Guan, further details of which are as set out in the section entitled "Restructuring Exercise" of this Offer Document.

SELECTED COMBINED FINANCIAL INFORMATION

The following summary financial data should be read in conjunction with the full text of this Offer Document, including the Combined Financial Statements as set out in Appendix A of this Offer Document. Our financial statements are prepared and presented in accordance with Singapore Financial Reporting Standards.

COMBINED INCOME STATEMENTS OF OUR GROUP[(1)]

	For the financial year ended 31 December		
S$'000	**2006**	**2007**	**2008**
Revenue	38,904	49,010	50,829
Cost of sales	(33,719)	(35,713)	(39,991)
Gross profit	5,185	13,297	10,838
Other income	295	234	389
Expenses			
- Selling and distribution expenses	(947)	(646)	(947)
- Administrative expenses	(2,954)	(4,345)	(3,974)
- Other operating expenses	(430)	(1,116)	(114)
- Finance	(569)	(729)	(731)
Profit before income tax	580	6,695	5,461
Income tax expense	(587)	(911)	(586)
Net (loss) / profit	(7)	5,784	4,875
Attributable to:			
Equity holders of the Company	82	5,784	4,875
Minority interest	(89)	–	–
	(7)	5,784	4,875
EPS (based on pre-Placement share capital) (cents)[(2)]	NM	5.38	4.53

Notes:

(1) The financial results of our Group for the period under review have been prepared on the basis that our Group has been in existence throughout the period under review and there were no changes in our Group's accounting policies for the financial period under review.

(2) For comparative purposes, EPS is calculated based on the net profit and the pre-Placement share capital of 107,551,245 Shares.

COMBINED BALANCE SHEETS OF OUR GROUP

	As at 31 December		
S$'000	**2006**	**2007**	**2008**
Current assets			
Cash and cash equivalents	4,258	4,985	5,237
Trade and other receivables	9,779	10,995	11,124
Inventories	1,512	2,843	2,330
Deferred costs	775	1,681	4,012
Other current assets	215	561	1,215
	16,539	21,065	23,918
Non-current assets			
Property, plant and equipment	20,861	18,641	22,550
Intangible assets	13	5	243
	20,874	18,646	22,793
Total assets	37,413	39,711	46,711
Current liabilities			
Trade and other payables	11,568	9,397	13,937
Current income tax liabilities	207	726	391
Borrowings	5,741	6,619	7,316
	17,516	16,742	21,644
Non-current liabilities			
Borrowings	2,661	2,453	2,599
Deferred income tax liabilities	1,254	1,154	958
	3,915	3,607	3,557
Total liabilities	21,431	20,349	25,201
Net assets	15,982	19,362	21,510
Capital and reserves attributable to equity holders of the Company			
Share capital	5,877	7,282	7,282
Retained earnings	10,318	11,627	12,826
Other reserves	(213)	453	1,402
Total equity	15,982	19,362	21,510

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

This following discussion of our financial condition and results of operations should be read in conjunction with the Combined Financial Statements as set out as Appendix A of this Offer Document.

OVERVIEW

We are principally engaged in MDF and the provision of PPIM services. We also provide a wide range of PPIM related Value Added Services such as laser etching, ultrasonic welding, printing, spray painting, polishing and sub-assembly.

Our products and services are supplied to companies which are in the consumer electronics, computer peripherals, automotive and household appliances industries. Our customers for our MDF business include Apple, Dyson and Hewlett Packard, each of whom are leading players in their respective industries, Automotive Lighting which is a contract manufacturer for cars such as Mazda, Honda, Toyota and Proton, and Goeding+Partner which provides parts for cars such as Volkswagen, Skoda and Peugeot.

Our customers are mainly located outside of Singapore in countries such as the United States, Malaysia and Europe. Revenue from these customers constituted 86.6%, 91.7% and 95.1% of our revenue for FY2006, FY2007 and FY2008 respectively.

An overview of the breakdown of our revenue, cost of sales, gross profit and gross profit margin for (i) MDF; and (ii) PPIM is as follows:

	FY2006		FY2007		FY2008	
	S$'000	%	S$'000	%	S$'000	%
Revenue						
MDF	14,857	38.2	23,921	48.8	21,027	41.4
PPIM	24,047	61.8	25,089	51.2	29,802	58.6
Total	38,904	100.0	49,010	100.0	50,829	100.0
Cost of sales						
MDF	19,976	59.2	17,797	49.8	16,880	42.2
PPIM	13,743	40.8	17,916	50.2	23,111	57.8
Total	33,719	100.0	35,713	100.0	39,991	100.0
Gross profit						
MDF	(5,119)	NM	6,124	46.1	4,146	38.3
PPIM	10,304	NM	7,173	53.9	6,692	61.7
Total	5,185		13,297	100.0	10,838	100.0
Gross profit margin (%)						
MDF	NM		25.6		19.7	
PPIM	42.9		28.6		22.5	
	13.3		27.1		21.3	

Revenue

Our revenue is derived from our MDF and PPIM businesses. Revenue from the Value Added Services is included under our PPIM business.

(i) <u>MDF</u>

Revenue from MDF (the fabrication of moulds and tools) is recognised as work progresses, using the percentage-of-completion method. The percentage-of-completion is assessed by reference to the completion of the physical proportion of orders. MDF fabrication duration is between two (2) to eight (8) weeks and it is the industry standard that the billings are made on certain milestones of completion based on the customers' acceptance.

Our revenue from MDF business for FY2006, FY2007 and FY2008 was approximately S$14.8 million, S$23.9 million and S$21.0 million respectively, which accounted for 38.2%, 48.8% and 41.4% of our total revenue respectively. Our MDF customers include Apple and Dyson.

(ii) <u>PPIM</u>

Revenue from PPIM is recognised when risks and rewards are transferred to the customers which coincide with the delivery of goods and acceptance by customers. The duration needed for completion for PPIM is only a few days and it is appropriate that our revenue recognition is based on risks and rewards of ownership transferred to the customers.

Our revenue from PPIM business for FY2006, FY2007 and FY2008 was approximately S$24.0 million, S$25.1 million and S$29.8 million respectively, which accounted for 61.8%, 51.2% and 58.6% of our total revenue respectively. Our PPIM customers include Foxconn, Tech-Full, Quanta, ASUS, Hon Hai and Hongfujin which are intermediaries of Apple.

<u>Factors affecting our revenue:</u>

(i) Our dependence on our major customer, Apple, and other customers to compete successfully in their industries;

(ii) Our ability to remain competitive vis-à-vis our competitors in terms of pricing, quality and timely delivery;

(iii) Our ability to adapt to changes in precision plastic injection moulding engineering and production technologies;

(iv) Our ability to maintain and improve our quality control processes to ensure that we are able to meet the requirements specified by our customers; and

(v) Our ability to maintain existing relationship with our major customer, Apple, and other customers and secure new sales orders. Factors affecting such relationships include, *inter alia*, our ability to accommodate their requests and feedback, our effectiveness in solving problems encountered in production and our ability to offer cost reduction solution. For more information, please refer to the section entitled "Our Major Customers" of this Offer Document.

Breakdown Analysis of Revenue

A breakdown of our revenue according to industries and the geographical regions of our customers for FY2006, FY2007 and FY2008 is set out below:

Breakdown of revenue by the industries of our customers:

Revenue

	FY2006		FY2007		FY2008	
	S$'000	**%**	**S$'000**	**%**	**S$'000**	**%**
Consumer Electronics	24,353	62.6	20,336	41.5	28,554	56.2
Computer Peripherals	11,068	28.4	17,607	35.9	18,065	35.5
Automotive	1,852	4.8	1,575	3.2	3,098	6.1
Household Appliances	1,631	4.2	9,492	19.4	1,112	2.2
Total	38,904	100.0	49,010	100.0	50,829	100.0

Breakdown of revenue by geographical regions of our customers:

Revenue

	FY2006		FY2007		FY2008	
	S$'000	**%**	**S$'000**	**%**	**S$'000**	**%**
United States	31,268	80.4	35,192	71.8	44,843	88.2
Singapore	5,207	13.4	4,062	8.3	2,505	4.9
Europe	361	0.9	8	0.0	2,184	4.3
Malaysia	2,068	5.3	9,748	19.9	1,297	2.6
Total	38,904	100.0	49,010	100.0	50,829	100.0

Seasonality

Save as disclosed below, we do not have any significant seasonality trends in our revenue.

For our MDF business, save for the consumer electronics industry, the demand for our moulds in other industries that our Group serves is largely stable. Generally, the sales of our moulds to customers in the consumer electronics industry are influenced by holidays and consumer spending patterns. Sales to these customers typically lead the end consumer spending by approximately three (3) to six (6) months as the design and fabrication of moulds forms the early stage of the production of end consumer electronic products by our customers. Therefore, our MDF sales are usually higher in the second and third quarters as the consumer spending on consumer electronic products are generally higher during the Christmas and Chinese New Year period.

The seasonality for our PPIM business, while still higher in the second and third quarters for the reasons stated in the preceding paragraph, is less pronounced compared to our MDF business as there are recurring orders throughout the year for our PPIM services.

Cost of Sales

Cost of sales comprises cost of material, labour and overheads.

For our MDF business, our cost of material comprises raw material cost and subcontracting cost.

Our raw materials are mainly mould base and mould hardware, both of which are made from steel, and may be subject to price fluctuation arising from the supply and demand of steel as well as exchange rates fluctuation. Most of our raw materials can be purchased locally. From time to time, we subcontract our MDF orders to subcontractors when we do not have sufficient capacity to meet significant sales orders secured. Our cost of material for FY2006, FY2007 and FY2008 was S$11.0 million, S$10.2 million and S$8.6 million, which accounted for 55.0%, 57.3% and 51.0% of our MDF cost of sales respectively.

For our PPIM business, our cost of material comprises raw material cost, subcontracting cost and components for the sub-assembly. Raw materials are mainly plastic resins. Generally, our customers will specify the suppliers from whom we are to purchase the plastic resins and our suppliers include Dow Chemical and Sabic. From time to time, we subcontract our PPIM orders to subcontractors when we do not have the required capacity for certain range of machine tonnages. We have engaged subcontactors to perform some of our Value Added Services to fulfill customers' orders on an urgent basis. Our cost of material for FY2006, FY2007 and FY2008 was approximately S$6.4 million, S$7.6 million and S$11.2 million respectively, which accounted for 46.9%, 42.7% and 48.4% of PPIM cost of sales respectively.

Labour cost consists of wages, salaries and benefits of staff who are engaged in the manufacturing process. The main factors affecting our labour cost include the supply and demand of skilled workers, and the changes in government policies, regulations such as CPF contributions, foreign workers levy and quota. Our labour cost for FY2006, FY2007 and FY2008 was approximately S$7.8 million, S$9.0 million and S$9.8 million respectively, which accounted for 23.2%, 25.3% and 24.5% of our cost of sales respectively.

Overheads include all indirect expenses that are related to the manufacturing process such as rental, utilities, depreciation and equipment maintenance. Rental is dependent on the terms of our lease agreements, the property market conditions and the location in which we operate. The increase in plant and machinery will affect depreciation and maintenance cost. Our overhead cost for FY2006, FY2007 and FY2008 was approximately S$8.5 million, S$8.8 million and S$10.4 million respectively, which accounted for 25.1%, 24.7% and 26.0% of our cost of sales respectively.

Other income

Other income comprises interest income in FY2007, income from sales of scraps and other materials, and gains on disposal of property, plant and equipment. Other income accounted for 0.76%, 0.48% and 0.76% of our total revenue for FY2006, FY2007 and FY2008 respectively.

Selling and distribution expenses

Selling and distribution expenses consist of expenses relating to advertisements, exhibition and trade shows, travelling, transportation and entertainment, and staff salaries which include bonuses and benefits for sales and marketing personnel. The selling and distribution expenses accounted for 19.3%, 9.4% and 16.4% of total operating expenses for FY2006, FY2007 and FY2008 respectively.

Administrative expenses

Administrative expenses comprise mainly staff-related expenses which include remuneration of directors, finance and administrative staff, premises-related expenses which include property tax, rental and utilities for offices, depreciation charges for office-related equipment, travelling for business purposes, general repair and maintenance expenses, insurance premium, legal and professional fees and other miscellaneous expenses. The administrative expenses accounted for 60.3%, 63.6% and 68.9% of total operating expenses for FY2006, FY2007 and FY2008 respectively.

Other operating expenses

Other operating expenses comprise mainly foreign exchange loss and loss from disposal of property, plant and equipment. The other operating expenses accounted for 8.8%, 16.3% and 2.0% of our total operating expenses for FY2006, FY2007 and FY2008 respectively.

Finance expense

Finance expense consists of interest expense for bank borrowings, bank overdraft, bills payables, factoring of trade receivables and finance lease. The finance expense accounted for 11.6%, 10.7% and 12.7% of our total operating expenses for FY2006, FY2007 and FY2008 respectively.

Income tax expense

Income tax expense comprises mainly tax charges provided in respect of the assessable profits from all our Subsidiaries. EMold Kunshan enjoyed tax relief with 50% tax exemption on enterprise income tax from FY2006 to FY2008. The corporate income tax rate in Singapore was 20% for FY2006 and 18% from FY2007 to FY2008. EMold Plastics did not pay any income tax for each of FY2006, FY2007 and FY2008, and Jubilee for FY2007 and FY2008, as there were unutilised tax losses brought forward. EMold Holding did not pay any income tax for FY2008 as it was dormant.

Deferred income tax is provided on all timing differences arising from the tax bases of assets and liabilities and their carrying amounts in the financial statements for instance the timing differences between depreciation and capital allowance for qualifying property, plant and equipment.

Our Group's overall effective income tax rates for the period under review were as follows:

	FY2006 S$'000	FY2007 S$'000	FY2008 S$'000
Income tax expense	587	911	586
PBIT	580	6,695	5,461
Effective tax rate	101.2%	13.6%	10.7%

The effective tax rates for the period under review were different from the statutory tax rates mainly due to non-deductible expenses, tax incentives and tax losses.

Inflation

For the period under review, the performance of our Group had not been materially impacted by inflation.

Changes in Accounting Policies

There has been no change in our accounting policies during the period under review.

REVIEW OF PAST OPERATING PERFORMANCE

FY2006 vs FY2007

Revenue

Our revenue increased by approximately S$10.1 million or 26.0% from approximately S$38.9 million in FY2006 to approximately S$49.0 million in FY2007 due to the increase in revenue from our MDF business of S$9.1 million and the increase in revenue from our PPIM business of S$1.0 million.

<u>MDF</u>

Our Group registered a substantial increase in revenue from our MDF business in FY2007 mainly due the increased sales orders from our key customers Apple and Dyson. We were able to secure a significant increase in sales orders from Apple in the area of consumer electronics by approximately S$2.8 million or 38.4% from approximately S$7.3 million in FY2006 to approximately S$10.1 million in FY2007. MDF sales to Dyson and its intermediaries had increased from approximately S$1.6 million in FY2006 to approximately S$9.5 million in FY2007, representing an increase of S$7.9 million or 493.8% due to the introduction of new product programs by Dyson.

<u>PPIM</u>

Our revenue from our PPIM business increased by approximately S$1.0 million from approximately S$24.0 million in FY2006 to approximately S$25.0 million in FY2007. This was mainly due to more sales orders secured.

Cost of sales, gross profit and gross margin

Our cost of sales increased from approximately S$33.7 million in FY2006 to S$35.7 million in FY2007 due to the increase in cost of material of S$0.4 million, labour cost of S$1.1 million and overheads of S$0.5 million.

<u>MDF</u>

The cost of sales of our MDF business decreased from S$20.0 million in FY2006 to S$17.8 million in FY2007. Therefore, our MDF business recorded a gross profit of S$6.1 million in FY2007 as compared to a gross loss of S$5.1 million in FY2006. This gross loss for FY2006 for our MDF business was attributable to the high fixed overhead cost of our MDF business. Our gross margin for our MDF business for FY2007 was 25.6%. The improvement of gross profit and gross margin were due mainly to increase in production volume that yielded better utilisation of our resources and improved operational efficiency. With larger production volume, we were also able to secure more competitive pricing from our subcontractors. Besides, we have put in place tighter cost control measures in our operations.

<u>PPIM</u>

The cost of sales of our PPIM business increased from S$13.7 million in FY2006 to S$17.9 million in FY2007 in line with the increase in revenue from PPIM. For FY2007, this increase in cost of sales was higher than the increase in revenue as we provided lower volume of Value Added Services, which were of a higher profit margin. Therefore, our gross profit decreased from S$10.3 million in FY2006 to S$7.2 million in FY2007. Our gross margin of 28.6% for our PPIM business in FY2007 is lower as compared to 42.9% in FY2006.

Other income

Other income decreased to approximately S$0.2 million in FY2007 from approximately S$0.3 million in FY2006 mainly due to reduction in interest income of approximately S$0.1 million.

Selling and distribution expenses

Our selling and distribution expenses decreased by approximately S$0.3 million or 31.8% in FY2007 as compared to FY2006. This decrease was mainly due to lower participation in overseas exhibitions which accounted for a decrease of S$0.2 million and lower travelling expenses which accounted for a decrease of S$0.1 million.

Administrative expenses

Our administrative expenses increased by approximately S$1.3 million or 43.3% from approximately S$3.0 million in FY2006 to approximately S$4.3 million in FY2007. This was mainly due to the following reasons:

(i) An increase in professional fees of approximately S$0.6 million incurred mainly due to the consultancy services for our listing preparation;

(ii) An increase in staff salary cost of approximately S$0.3 million due to hiring of additional staff;

(iii) An increase in staff welfare and meal allowances of approximately S$0.2 million;

(iv) An increase in directors' remuneration of approximately S$0.1 million; and

(v) An increase in depreciation of approximately S$0.1 million mainly due to increased capital expenditure for office equipment replacement.

Other operating expenses

Our other operating expenses increased by approximately S$0.7 million or 175.0% from approximately S$0.4 million in FY2006 to approximately S$1.1 million in FY2007. This increase was due mainly to an increase in foreign exchange loss of S$0.4 million and loss on disposal of property, plant and equipment of S$0.3 million.

Finance expense

Our finance expense increased by approximately S$0.2 million or 28.1% in FY2007 mainly due to (i) increase in interest expense on bank borrowings of S$40,000, (ii) increase in interest expense on bank overdraft of S$60,000, (iii) increase in interest expense on factoring of trade receivables of S$0.1 million. These were partially offset by a decrease in interest expense on bills payable of S$50,000.

Profit before income tax

As a result of the above, our profit before income tax increased by approximately S$6.1 million in FY2007 as compared to FY2006.

Income tax expense

Income tax expense increased by approximately S$0.3 million or 50.0% from approximately S$0.6 million in FY2006 to S$0.9 million in FY2007. This increase was mainly due to the higher profit before income tax of approximately S$6.7 million in FY2007. In FY2006, income tax expense was higher than profit before income tax because of higher losses incurred by EMold Plastics and Jin Li Thailand that could not be offset against profit earned by our other Subsidiaries.

FY2007 vs FY2008

Revenue

Our revenue increased by approximately S$1.8 million or 3.7% from approximately S$49.0 million in FY2007 to approximately S$50.8 million in FY2008 mainly due to the increase in revenue from our PPIM business of approximately S$4.7 million. This was partially offset by a decrease in revenue from our MDF business of S$2.9 million.

<u>MDF</u>

The decrease in revenue from our MDF business was due mainly to the reduced sales orders from Dyson and its intermediaries as a result of a reduction in new product programs introduced by Dyson. Our MDF sales to Dyson in FY2008 were approximately $0.9 million, decreased by approximately S$8.6 million or 90.5% as compared to approximately S$9.5 million in FY2007. However, our Group was able to secure more MDF sales orders from Apple in FY2008. Our MDF sales to Apple increased by approximately S$4.7 million as compared to FY2007. In addition, we managed to secure new customers such as Goeding+Partner and supplied MDF parts for automotive components of approximately S$1.7 million.

<u>PPIM</u>

The increase in revenue from our PPIM business was due mainly to the increase in sales orders from new and existing programs secured with our customers in consumer electronics industry and computer peripherals industry.

Cost of sales, gross profit and gross margin

Our cost of sales increased from approximately S$35.7 million in FY2007 to S$40.0 million in FY2008 due to the increase of cost of material of S$2.0 million, labour cost of S$0.7 million and overheads of S$1.6 million.

<u>MDF</u>

The cost of sales of our MDF business decreased from S$17.8 million in FY2007 to S$16.9 million in FY2008 in tandem with the decrease in revenue from our MDF business. However, the decrease in cost of sales was less than proportionate compared to the decrease in revenue from our MDF business. As a result, our Group recorded a lower gross profit of S$4.1 million in FY2008 as compared to S$6.1 million in FY2007.

Our gross margin was 19.7% in FY2008 as compared to 25.6% in FY2007 due to the lower margin for MDF orders secured from customers given the challenging economic environment and higher raw material costs.

<u>PPIM</u>

The cost of sales of our PPIM business increased from S$17.9 million in FY2007 to S$23.1 million in FY2008 in tandem with the increase in revenue from our PPIM business. However, the increase in cost of sales was more than proportionate compared to the increase in our revenue. As a result, we have a decrease in our gross profit from S$7.2 million in FY2007 to S$6.7 million in FY2008.

Our gross margin stood at a lower level of 22.5% in FY2008 as compared to 28.6% in FY2007 as our sales orders secured were of a lower margin given the challenging economic environment.

Other income

Other income increased by approximately S$0.2 million or 100.0% from approximately S$0.2 million in FY2007 due to increase in sales of scraps and other materials.

Selling and distribution expenses

Our selling and distribution expenses increased by approximately S$0.3 million or 46.5% in FY2008 mainly due to additional headcounts in the business development team of approximately S$0.2 million and an increase of approximately S$0.1 million in travelling, transportation and entertainment expenses to secure new sales orders from customers.

Administrative expenses

Our administrative expenses decreased by approximately S$0.3 million or 7.0% from approximately S$4.3 million in FY2007 to approximately S$4.0 million in FY2008. This was mainly due to the following reasons:

(i) A decrease in professional fees of approximately S$0.5 million for the one-off consultancy fee related to the listing preparation that was incurred in FY2007; and

(ii) A decrease in depreciation of approximately S$0.1 million because some property, plant and equipment had been fully depreciated during FY2008.

These were partially offset by an increase in staff welfare and meal allowances of approximately S$0.3 million.

Other operating expenses

Our other operating expenses decreased by approximately S$1.0 million or approximately 90.9% from approximately S$1.1 million in FY2007 to approximately S$0.1 million in FY2007. This was due mainly to decrease in foreign exchange loss of approximately S$0.8 million and loss on disposal on property, plant and equipment of S$0.2 million.

Finance expense

In FY2008, finance expense had remained the same at approximately S$0.7 million given the slight increase in overall borrowings from approximately S$9.1 million in FY2007 to approximately S$9.9 million in FY2008.

Profit before income tax

As a result of the above, our profit before income tax declined by approximately S$1.2 million or approximately 17.9% from approximately S$6.7 million in FY2007 to approximately S$5.5 million in FY2008.

Income tax expense

Income tax expense decreased by approximately S$0.3 million or 33.3% from approximately S$0.9 million in FY2007 to approximately S$0.6 million in FY2008 due to the lower profit before income tax of approximately S$5.5 million in FY2008.

REVIEW OF FINANCIAL POSITION

Current assets

Our current assets comprise cash and cash equivalents, trade and other receivables, inventories, deferred costs and other current assets. Other current assets consist of deposits, prepayments and deferred listing costs. Deferred costs relate to material, labour and overhead costs incurred for the fabrication of moulds and tools for MDF business which are recognised as work progresses and deferred until the revenue is recognised.

As at 31 December 2008, our current assets amounted to approximately S$23.9 million or 51.2% of our total assets, comprising cash and cash equivalents of S$5.2 million, trade and other receivables of S$11.1 million, inventories of S$2.4 million, deferred costs of S$4.0 million and other current assets of S$1.2 million.

Non-current assets

Our non-current assets comprise property, plant and equipment, and intangible assets. Property, plant and equipment comprise plant and machinery, motor vehicles, office equipment and tools, and renovation. Intangible assets comprise cost of computer software acquired for our operations.

As at 31 December 2008, our non-current assets amounted to approximately S$22.8 million or 48.8% of our total assets, comprising property, plant and equipment of S$22.6 million and intangible assets of S$0.2 million.

Current liabilities

Our current liabilities comprise trade and other payables, current income tax liabilities and borrowings. Borrowings comprise bank borrowings, bills payables, bank overdraft and finance lease liabilities. We mainly utilise bills payables and bank overdraft for working capital purposes. The bank borrowings and finance lease were used to finance the acquisition of equipment.

As at 31 December 2008, our current liabilities amounted to approximately S$21.6 million or 85.7% of our total liabilities, comprising trade and other payables of S$13.9 million, current income tax liabilities of S$0.4 million and borrowings of S$7.3 million.

Non-current liabilities

Our non-current liabilities comprise borrowings and deferred income tax liabilities. The deferred income tax arose from the timing differences relating to accelerated tax depreciation.

As at 31 December 2008, our non-current liabilities amounted to approximately S$3.6 million or 14.3% of our total liabilities, comprising borrowings of S$2.6 million and deferred income tax liabilities of S$1.0 million.

Total equity

Total equity comprises share capital, retained earnings and other reserves. As at 31 December 2008, our total equity amounted to S$21.5 million.

LIQUIDITY AND CAPITAL RESOURCES

Since our establishment, our growth and operations have been funded through a combination of shareholders' equity, cash generated from operating activities and bank borrowings. Our source of funds may be categorised as internal or external funds. Internal source of funds refers to cash generated from our operating activities. External sources of funds comprise mainly cash injected by our shareholders as well as borrowings from bank and finance institutions. Our principal uses of these funds have been mainly for meeting our capital expenditures, working capital requirements, operating expenses, repayment of bank borrowings and finance expenses. We have been able to service our loan repayments on a timely basis.

As at 31 December 2008, we had cash and bank balances of S$5.2 million. As at the Latest Practicable Date, we had cash and bank balances of S$3.4 million.

As at 31 December 2008, we had a term loan of S$2.8 million, and banking facilities of S$15.2 million of which S$5.0 million - comprising bank overdraft of S$2.2 million and bills payable of S$2.8 million - had been utilised. As at 31 December 2008, we had unutilised banking facilities of S$10.2 million.

As at 30 April 2009, we had a term loan of S$2.6 million, and banking facilities of S$15.2 million of which S$6.2 million - comprising bank overdraft of S$2.6 million and bills payable of S$3.6 million - had been utilised. As at the Latest Practicable Date, we had unutilised banking facilities of S$9.0 million.

Further details of our banking facilities can be found under the section entitled "Capitalisation and Indebtedness" of this Offer Document.

As at the Latest Practicable Date, none of the entities in our Group are in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our financial position and results or business operations, or the investments by our Shareholders.

A summary of our audited combined cash flow statement for FY2006, FY2007 and FY2008 are set out below:

S$'000	**FY2006**	**FY2007**	**FY2008**
Net cash flow generated from operating activities	2,214	4,771	10,801
Net cash flow used in investing activities	(3,543)	(1,298)	(7,532)
Net cash flow used in financing activities	(4,220)	(1,344)	(3,027)
Net (decrease)/increase in cash and cash equivalents	(5,549)	2,129	242
Effect of currency translation on cash and cash equivalents	(89)	3	248
Cash and cash equivalents at the beginning of financial year	5,465	(173)	1,959
Cash and cash equivalents at the end of financial year	(173)	1,959	2,449

FY2006

Net cash from operating activities

In FY2006, our net cash generated from operating activities was approximately S$2.2 million, comprising cash flow from operating activities before working capital changes of S$4.5 million, net working capital outflow of S$1.3 million, interest received of S$0.1 million and income tax paid of S$1.1 million.

The net working capital outflow of S$1.3 million arose due to the following changes in working capital:

<u>Outflows</u>

(i) Decrease in trade and other payables of S$4.0 million; and

(ii) Increase in inventories of S$0.5 million.

<u>Inflows</u>

(i) Decrease in trade and other receivables of S$2.8 million;

(ii) Decrease in other current assets of S$0.2 million; and

(iii) Decrease in deferred costs of S$0.2 million.

Net cash from investing activities

In FY2006, our net cash used in investing activities was approximately S$3.5 million, mainly attributable to the purchase of property, plant and equipment of S$4.2 million. This was partially offset by the proceeds from disposal of property, plant and equipment of S$0.7 million.

Net cash from financing activities

In FY2006, our net cash used in financing activities was approximately S$4.2 million, comprising mainly dividends paid of approximately S$2.8 million, repayment of finance lease liabilities of S$2.5 million, interest paid of S$0.6 million and increase in short-term bank deposits pledged of S$0.7 million. These were partially offset by proceeds from borrowings of S$1.7 million and proceeds from injection of additional capital of S$0.7 million.

FY2007

Net cash from operating activities

In FY2007, our net cash generated form operating activities was approximately S$4.8 million, comprising cash flow from operating activities before working capital changes of S$11.7 million, net working capital outflow of S$6.4 million, interest received of S$0.03 million and income tax paid of S$0.5 million.

The working capital outflow of S$6.4 million arose due to the following changes in working capital:

<u>Outflows</u>

(i) Increase in inventories of S$1.3 million;

(ii) Increase in trade and other receivables of S$1.2 million;

(iii) Increase in other current assets of S$0.3 million;

(iv) Increase in deferred costs of S$0.9 million; and

(v) Decrease in trade and other payables of S$2.7 million.

Net cash from investing activities

In FY2007, our net cash used in investing activities was approximately S$1.3 million, mainly attributable to the purchase of property, plant and equipment of S$3.3 million. This was partially offset by the proceeds from disposal of property, plant and equipment of S$2.0 million.

Net cash from financing activities

In FY2007, our net cash used in financing activities was approximately S$1.3 million, comprising mainly dividends paid of S$3.7 million, interest paid of S$0.7 million and repayment of finance lease liabilities of S$0.2 million. These were partially offset by the proceeds from injection of additional capital of S$1.4 million, proceeds from borrowings of S$1.2 million and decrease in short-term bank deposits pledged of S$0.7 million.

FY2008

Net cash from operating activities

In FY2008, our net cash generated from operating activities was approximately S$10.8 million, comprising cash flow from operating activities before working capital changes of S$10.6 million, net working capital inflow of S$1.3 million, interest received of S$0.04 million and income tax paid of S$1.1 million.

The net working capital inflow of S$1.3 million arose due to the following changes in working capital:

<u>Outflows</u>

(i) Increase in deferred costs of S$2.3 million;

(ii) Increase in other current assets of S$0.7 million; and

(iii) Increase in trade and other receivables of S$0.1 million.

<u>Inflows</u>

(i) Increase in trade and other payables of S$3.9 million; and

(ii) Decrease in inventories of S$0.5 million.

Net cash from investing activities

In FY2008, net cash used in investing activities was approximately S$7.5 million, mainly attributable to the purchase of property, plant and equipment and intangible assets of S$7.6 million. This was partially offset by the proceeds from the disposal of property, plant and equipment of S$0.1 million.

Net cash from financing activities

In FY2008, net cash used in financing activities was approximately S$3.0 million, comprising mainly dividends paid of S$3.0 million, repayment of finance lease liabilities of S$1.2 million and interest paid of S$0.7 million. These were partially offset by the proceeds from borrowings of S$1.5 million and decrease in short-term bank deposits pledged of S$0.4 million.

CAPITAL EXPENDITURE AND DIVESTMENT

Our material capital expenditures and divestments for the last three financial years ended 31 December and from 1 January 2009 to the Latest Practicable Date are as follows:

S$'000	FY2006	FY2007	FY2008	1 January 2009 to the Latest Practicable Date
Acquisition				
Plant and machinery	5,816	2,990	4,755	266
Office equipment and tools	202	77	553	31
Motor Vehicles	–	100	57	–
Furniture and electrical fittings	120	215	313	15
Renovation	294	267	2,022	111
Computer software licence	–	–	274	–
	6,432	3,649	7,974	423
Disposal				
Plant and machinery	1,211	2,202	54	–
Office equipment and tools	10	281	–	–
Motor vehicles	–	131	222	–
Furniture and electrical fittings	–	193	1	–
Renovations	–	502	6	–
	1,221	3,309	283	–

Our capital expenditures were financed by finance leases, internally generated funds and bank borrowings. We incurred capital expenditures from FY2006 to the Latest Practicable Date mainly due to:

(i) The expansion of production capacity by setting up the third and fourth manufacturing facilities in Kunshan, PRC in FY2006 and FY2008;

(ii) The expansion of production capacity of our Singapore Plant; and

(iii) The setting up of our Malaysia Plant in FY2007 and FY2008 and further expansion of production capacity by setting up second manufacturing facilities in Malaysia in FY2009.

The disposals and divestments during the period between FY2006 and Latest Practicable Date were incurred mainly due to liquidation of Jin Li Thailand. Jin Li Thailand has become dormant and started disposing its machinery and equipment in FY2007.

As at the Latest Practicable Date, we have capital commitments of approximately S$3.5 million to purchase plant and equipment. These capital commitments are expected to be funded through the proceeds from the Placement, internally generated funds and bank borrowings.

Operating Lease Commitments

As at 31 December 2008 and the Latest Practicable Date, our Group has lease commitments for future minimum lease payments under non-cancellable operating leases as follows:

S$'000	31 December 2008	Latest Practicable Date
Within one year	910	531
After one year but within five years	949	949
Total	1,859	1,480

Please refer to the section entitled "Properties and Fixed Assets" of this Offer Document for details of our operating lease commitments.

Save as disclosed above, our Group does not have any other material capital commitments as at the Latest Practicable Date.

Save for the Restructuring Exercise, we did not acquire any interest in any corporation in the period between 1 January 2009 and the Latest Practicable Date.

FOREIGN EXCHANGE MANAGEMENT

Accounting Treatment of Foreign Currencies

The accounting records for the subsidiaries of the Group are maintained in their respective functional currencies.

Our reporting currency is in S$. Our Group transacts mainly in US$, S$, RMB and others. Transactions arising in foreign currencies are measured in the respective functional currencies and translated into S$ at exchange rates approximating those ruling on the transaction dates. Assets and liabilities in foreign currencies are translated into S$ at exchange rates closely approximating those ruling at the balance sheet date. All resultant exchange differences from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the income statement.

Foreign Exchange Exposure

Our Group's revenue and purchases are principally denominated in US$, S$, RMB and others. The percentage of our revenue and purchases denominated in different currencies were as follows:

Revenue

	FY2006		FY2007		FY2008	
Currency	**S$'000**	**%**	**S$'000**	**%**	**S$'000**	**%**
US$	29,309	75.3	34,646	70.7	38,788	76.3
S$	7,238	18.6	9,255	18.9	3,238	6.4
RMB	2,356	6.1	4,867	9.9	6,468	12.7
Others	1	0.0	242	0.5	2,335	4.6
	38,904	100.0	49,010	100.0	50,829	100.0

Purchases

	FY2006		FY2007		FY2008	
Currency	**S$'000**	**%**	**S$'000**	**%**	**S$'000**	**%**
US$	6,525	18.7	5,956	15.2	6,047	14.4
S$	21,770	62.3	23,278	59.4	22,657	54.0
RMB	5,643	16.1	7,908	20.2	12,444	29.7
Others	1,013	2.9	2,038	5.2	789	1.9
	34,951	100.0	39,180	100.0	41,937	100.0

For FY2006, FY2007 and FY2008, the foreign exchange losses of our Group are as shown below:

	FY2006	**FY2007**	**FY2008**
Net foreign exchange loss (S$'000)	430	858	91
As a percentage of revenue (%)	1.1	1.8	0.2
As a percentage of PBIT (%)	74.1	12.8	1.7

Currently, we manage the foreign exchange exposure arising from transactions by way of matching, as far as possible, receipts and payments in each individual currency. We do not have a foreign currency hedging policy. Moving forward, we will continue to monitor our foreign exchange exposure and will consider hedging any material foreign exchange exposure should the need arise. Prior to entering into any such hedging transactions, we will (i) seek our Board's approval on the policy for entering into any such hedging transactions; (ii) put in place adequate procedures which must be reviewed and approved by our Audit Committee; and (iii) our Audit Committee will monitor the implementation of the policy, including reviewing the instruments, processes and practices in accordance with the policy approved by our Board.

SHARE CAPITAL

Our Company (Registration No. 200904797H) was incorporated in Singapore on 18 March 2009 under the Singapore Companies Act as a private company limited by shares under the name of "JLJ Holdings Pte Ltd" and was converted to a public company limited by shares and our name was changed to "JLJ Holdings Limited" on 19 May 2009.

As at the Latest Practicable Date, the share capital of our Company was S$1.00 comprising one (1) Share. Pursuant to the Restructuring Exercise, our issued share capital increased to S$21,510,249.

On 9 June 2009, the sole shareholder, Chua Kim Guan approved *inter-alia*, the following:

(a) the sub-division of each ordinary share in the share capital of our Company into five (5) ordinary shares (the "**Share Split**");

(b) the issue of the New Shares pursuant to the Placement which when fully paid, allotted and issued, will rank *pari passu* in all respects with the existing issued Shares;

(c) the approval of the listing and quotation of all the issued Shares (including the New Shares to be allotted and issued pursuant to the Placement) on the Catalist; and

(d) the authorisation of our Directors, pursuant to Section 161 of the Companies Act, to

   (i) issue shares whether by way of rights, bonus or otherwise (including Shares as may be issued pursuant to any Instrument (as defined below) made or granted by our Directors while this resolution is in force notwithstanding that the authority conferred by this resolution may have ceased to be in force at the time of issue of such Shares); and/or

   (ii) 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 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 our Directors may in their absolute discretion deem fit provided that the aggregate number of Shares issued pursuant to such authority (including Shares issued pursuant to any Instrument but excluding Shares which may be issued pursuant to any adjustments ("**Adjustments**")) effected under any relevant Instrument, which Adjustment shall be made in compliance with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of our Company), shall not exceed 100% of the issued shares of our Company immediately after the Placement (excluding treasury shares), and provided that the aggregate number of such Shares to be issued other than on a pro rata basis in pursuance to such authority (including Shares issued pursuant to any Instrument but excluding shares which may be issued pursuant to any Adjustment effected under any relevant Instrument) to the existing Shareholders shall not exceed 50% of the issued shares of our Company immediately after the Placement (excluding treasury shares), and, unless revoked or varied by our Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of our Company or the date by which the next Annual General Meeting of our Company is required by law to be held, whichever is the earlier.

Since the date of incorporation of our Company, the entire of our issued share capital save for the subscriber Share issued on incorporation, has been paid for with assets other than cash. For details, please see the next section entitled "Restructuring Exercise" of this Offer Document.

As at the Latest Practicable Date, there is only one class of shares in the capital of our Company, being the Shares. A summary of the Articles of Association of our Company relating to, among others, the voting rights of our Shareholders are set out in Appendix C entitled "Selected Extracts of our Articles of Association" of this Offer Document. There are no founder, management, deferred or unissued shares in the capital of our Company reserved for issuance for any purpose.

Details of the changes in the issued and paid-up share capital of our Company since incorporation and immediately after the Placement are set out below:

	Resultant Number of Issued Shares	**Resultant issued and paid-up share capital (S$)**
Issued and fully paid Shares as at incorporation	1	1
Issue of 21,510,248 new Shares pursuant to the Restructuring Exercise	21,510,249	21,510,249
Share Split	107,551,245	21,510,249
Pursuant to Placement	123,551,245	25,830,249

The issued share capital and the shareholders' equity of our Company after adjustments to reflect the Restructuring Exercise and Share Spilt, and the Placement, are set forth below.

	As at Incorporation (S$)	**After Restructuring Exercise and Share Split (S$)**	**After the Placement (S$)**
SHAREHOLDERS' EQUITY			
Issued and fully paid-up share capital	1	21,510,249	25,830,249
Total shareholders' equity	1	21,907,935	24,904,235 [(1)]

Save as disclosed above, there have been no other changes in the percentage ownership of our Company since the date of incorporation.

Note:

(1) After taking into account estimated listing expenses that are considered incremental costs directly attributable to the issuance of Shares (net of the amount borne by the Vendor), such estimated listing expenses being approximately S$1.32 million.

Save as set out in this section and the subsequent paragraph, there was no change in the issued and paid-up share capital of our Company or our Subsidiaries within the three (3) years preceding the Latest Practicable Date and up to the date of lodgement of this Offer Document[1]:

	Number of Shares Issued/ Capital Contributed	Subscription Price per Share	Purpose of Issue or Investment	Resultant Issued Share Capital
Our Company				
18 March 2009	1/S$1	S$1	Incorporation	S$1
8 June 2009	21,510,248/S$21,510,248	S$1	Acquisition of Jin Li Mould, EMold Holding and EMold Plastics	S$21,510,249
EMold Holding				
21 November 2008	1/S$1	S$1	Incorporation	S$1
3 June 2009	5,220,404/S$5,220,404	S$1	Acquisition of EMold Kunshan	S$5,220,405
Jubilee				
17 September 2007	2/RM2	RM1	Incorporation	RM2
22 February 2008	299,998/RM299,998	RM1	Allotment and issue of shares	RM300,000

Save as disclosed in this section and the foregoing paragraph, no share in or debenture of our Company or any of our Subsidiaries has been issued, or is proposed to be issued, as fully or partly paid-up for cash, or for a consideration other than cash, within the three (3) years preceding the date of lodgement of this Offer Document.

No option to subscribe for or purchase shares in or debentures of our Company or any of our Subsidiaries has been granted to, or was exercised by any person.

Note:

(1) Changes in the issued and paid-up share capital of Jin Li Thailand has not been included as it is pending liquidation. For further details, please refer to the section entitled "History" of this Offer Document.

RESTRUCTURING EXERCISE

Our Group was formed through the Restructuring Exercise which involved a series of acquisitions and the rationalisation of our corporate and shareholding structure for the purposes of the Placement. Pursuant to the Restructuring Exercise, our Company became the holding company of our Group.

The Restructuring Exercise involved the following steps:

Incorporation of our Company in Singapore

(1) Our Company was incorporated in Singapore on 18 March 2009. On incorporation, the issued and paid up capital of our Company was S$1.00 comprising one (1) Share, allotted and issued to our Executive Chairman, Chua Kim Guan.

Incorporation of EMold Holding and acquisition of EMold Kunshan by EMold Holding

(2) EMold Holding was incorporated in Singapore on 21 November 2008. On incorporation, the issued and paid up capital of EMold Holding was S$1.00 and comprising one (1) share, allotted and issued to Chua Kim Guan.

(3) Pursuant a equity transfer agreement dated 16 December 2008 (the "**Equity Transfer Agreement**") and a payment agreement dated 3 June 2009 (the "**Payment Agreement**") between EMold Holding and Chua Kim Guan, EMold Holding acquired the entire equity interest of EMold Kunshan from Chua Kim Guan, for an aggregate consideration of S$7,500,000, which was satisfied on 3 June 2009 by EMold Holding as follows :

   (a) S$5,220,404 of such consideration by the issue of 5,220,404 ordinary shares in the capital of EMold Holding, credited as fully paid, to Chua Kim Guan; and

   (b) the balance of the consideration in the sum of S$2,279,596 ("**Kunshan Cash Consideration**") by way of a set-off pursuant to the Deed of Novation referred to in the step of the Restructuring Exercise below.

   The purchase consideration was based on a registered capital of EMold Kunshan as at 31 December 2008 as agreed upon on a willing seller willing buyer basis.

(4) Pursuant to a deed of novation dated 3 June 2009 (the "**Deed of Novation**") between Chua Kim Guan, EMold Holding and Jin Li Mould and the Payment Agreement, Jin Li Mould assigned by way of novation to EMold Holding the right to payment from Chua Kim Guan of an amount S$2,279,596 (which was a loan previously extended by Jin Li Mould to Chua Kim Guan, further details as set out in the section entitled "Interested Person Transactions"), which was set off against the Kunshan Cash Consideration owing by EMold Holding to Chua Kim Guan.

Acquisition of Jin Li Mould / EMold Holding and EMold Plastics by our Company

(5) Pursuant to a share swap agreement dated 8 June 2009 (the "**Share Swap Agreement**") between our Company and Chua Kim Guan, our Company acquired from Chua Kim Guan, the entire issued share capital of:

   (a) Jin Li Mould, comprising 750,000 ordinary shares in the capital of Jin Li Mould, for an aggregate consideration of S$3,274,063, which was satisfied by the issuance of 3,274,063 Shares, credited as fully paid, to Chua Kim Guan on 8 June 2009. The purchase consideration was based on an adjusted NAV of Jin Li Mould as at 31 December 2008 (as adjusted for the negative NAV of EMold Plastics) as agreed upon on a willing seller willing buyer basis;

   (b) EMold Holding, comprising 5,220,405 ordinary shares in the capital of EMold Holding, for an aggregate consideration of S$18,236,184, which was satisfied by the issuance of 18,236,184 Shares, credited as fully paid, to Chua Kim Guan on 8 June 2009. The purchase consideration was based on the NAV of EMold Holding as at 31 December 2008 as agreed upon on a willing seller willing buyer basis; and

   (c) EMold Plastics, comprising 300,000 ordinary shares in the capital of EMold Plastics, for an aggregate consideration of S$1, which was satisfied by the issuance of one (1) Share, credited as fully paid, to Chua Kim Guan on 8 June 2009. The purchase consideration was agreed upon on a willing seller willing buyer basis after taking into account the NAV of EMold Plastics as at 31 December 2008 which was negative.

In connection with the completion of the above-mentioned acquisitions, our Company had issued 21,510,248 new Shares (before the Share Split) to Chua Kim Guan and became the holding company of our Group, and our resultant issued share capital comprised 21,510,249 Shares. On 9 June 2009, pursuant to the Share Split, we sub-divided these 21,510,249 Shares into 107,551,245 Shares.

Changes in the Shareholding of our Company

(6) Pursuant to an agreement between our Executive Chairman, Chua Kim Guan and Ng Boon Leng, Chua Kim Guan agreed to sell and Ng Boon Leng agreed to purchase, 10,370,370 Shares which is equivalent in value to S$2,800,000 as based on the Placement Price at an aggregate consideration of S$2,800,000. The consideration was arrived at on a willing buyer willing seller basis. The above acquisition will be completed prior to the listing of our Company on the Catalist.

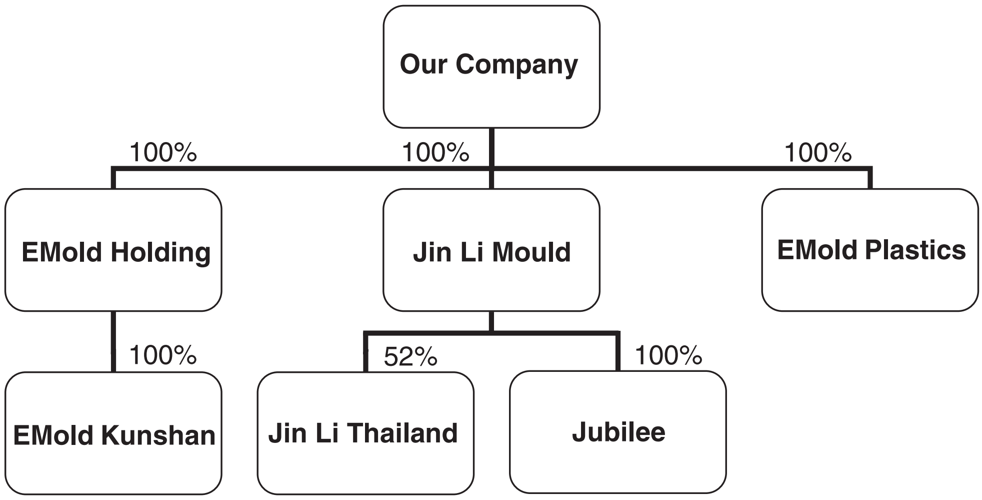
(7) Pursuant to an agreement our Executive Chairman, Chua Kim Guan and Tan Soon Liang, Chua Kim Guan agreed to sell and Tan Soon Liang agreed to purchase, 2,471,026 Shares which is equivalent to 2.0% of the post-Placement share capital of our Company at an aggregate consideration of S$2,000. The consideration was arrived at on a willing buyer willing seller basis. The above acquisition will be completed prior to the listing of our Company on the Catalist.

(8) Pursuant to an agreement between PPCF and our Executive Chairman, Chua Kim Guan in relation to the Management Agreement on part payment for PPCF's fees as the Manager and Sponsor, Chua Kim Guan agreed to transfer 1,851,852 Shares which is equivalent in value to S$500,000 (being part of PPCF's fees) as based on the Placement Price. The above transfer will be completed after the Latest Practicable Date and prior to the listing of our Company on the Catalist.

The corporate structure of our Group after the Restructuring Exercise is set out in the next section entitled "Group Structure" of this Offer Document.

GROUP STRUCTURE

Our group structure is as shown below:



OUR SUBSIDIARIES

Details of our Subsidiaries are as follows:

Name of Company	Date and Place of Incorporation	Principal Business/ Principal Place of Business	% Ownership / % voting power held by our Company / Group
Jin Li Mould	29 July 1993 / Singapore	MDF and PPIM / Singapore	100
EMold Plastics	8 July 2003 / Singapore	PPIM / Singapore	100
EMold Holding	21 November 2008 / Singapore	Investment holding / Singapore	100
EMold Kunshan	17 March 2003 / PRC	MDF and PPIM / PRC	100
Jubilee	17 September 2007 / Malaysia	MDF and PPIM / Malaysia	100
Jin Li Thailand[1]	20 October 2004 / Thailand	N/A (dormant, pending liquidation)	52

Note:

(1) Our CEO, Ng Boon Leng, currently holds 5.0% of the issued and paid up share capital in Jin Li Thailand.

None of our Subsidiaries are listed on any stock exchange. We do not have any associated companies.

SHAREHOLDING AND OWNERSHIP STRUCTURE

Our shareholders and their respective shareholdings as at the Latest Practicable Date and after the Placement are summarised below:

	As at the Latest Practicable Date				After the Placement			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors								
Chua Kim Guan	107,551,245	100.0	–	–	89,857,997	72.7	–	–
Ng Boon Leng[(1)]	–	–	–	–	10,370,370	8.4	–	–
Tan Soon Liang[(2)]	–	–	–	–	2,471,026	2.0	–	–
Khoo Boo Teck Randolph	–	–	–	–	–	–	–	–
Pao Kiew Tee	–	–	–	–	–	–	–	–
Others								
PPCF[(3)]	–	–	–	–	1,851,852	1.5	–	–
Public	–	–	–	–	19,000,000	15.4	–	–
TOTAL	107,551,245	100.0	–	–	123,551,245	100.0	–	–

Notes:

(1) Pursuant to an agreement between our CEO, Ng Boon Leng and our Executive Chairman, Chua Kim Guan, Chua Kim Guan agreed to, *inter alia*, sell to Ng Boon Leng 10,370,370 Shares which is equivalent in value to S$2,800,000 as based on the Placement Price at an aggregate consideration of S$2,800,000. The above acquisition will be completed after the Latest Practicable Date and prior to the listing of our Company on Catalist. Please refer to the section entitled "Restructuring Exercise" of this Offer Document for further details.

(2) Pursuant to an agreement between our Non-Executive Director, Tan Soon Liang and our Executive Chairman, Chua Kim Guan, Chua Kim Guan agreed to, *inter alia*, sell to Tan Soon Liang 2,471,026 Shares which is equivalent to 2.0% of the post-Placement share capital of our Company to Tan Soon Liang at an aggregate consideration of S$2,000. The above acquisition will be completed after the Latest Practicable Date and prior to the listing of our Company on Catalist. Please refer to the section entitled "Restructuring Exercise" of this Offer Document for further details.

(3) Pursuant to an agreement between PPCF and our Executive Chairman, Chua Kim Guan in relation to the Management Agreement on part payment for PPCF's fees as the Manager and Sponsor, Chua Kim Guan agreed to transfer 1,851,852 Shares which is equivalent in value to S$500,000 (being part of PPCF's fees) based on the Placement Price. The above transfer will be completed after the Latest Practicable Date and prior to the listing of our Company on Catalist. Please refer to the section entitled "Restructuring Exercise" of this Offer Document for further details.

The Shares of our Directors were acquired in connection with the Restructuring Exercise.

Save as disclosed in the section entitled "Restructuring Exercise" of this Offer Document, there has been no change in the percentage ownership of Shares by our Directors and Substantial Shareholders from its incorporation until the Latest Practicable Date.

The Shares held by our Directors and Substantial Shareholders do not carry voting rights that are different from the Placement Shares. Our Directors are not aware of any arrangement, the operation of which may, at a subsequent date, result in a change in control of our Company.

As at the Latest Practicable Date, our Company has only one class of shares, being our Shares which are in registered form. There is no restriction on the transfer of fully paid ordinary shares in scripless form except where required by law or the Catalist Rules.

There has not been any public take-over offer by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or units of a Business Trust which has occurred during the last or current financial year.

Save as disclosed above, our Company is not directly or indirectly owned or controlled, whether severally or jointly by any person or government.

VENDOR

The name of the Vendor and the number of Vendor Shares which he will offer pursuant to the Placement are set out below:

	Shares held immediately before Placement		Vendor Shares offered pursuant to the Placement			Shares held after the Placement	
Name	**Number of Shares**	**% of pre-Placement share capital**	**Number of Shares**	**% of pre-Placement share capital**	**% of post-Placement share capital**	**Number of Shares**	**% of post-Placement share capital**
Chua Kim Guan	92,857,997 [(1)]	86.3	3,000,000	2.8	2.4	89,857,997	72.7

Note:

(1) After the completion of the proposed transfers of Shares by our Executive Chairman, Chua Kim Guan to our CEO, Ng Boon Leng, our Non-Executive Director, Tan Soon Liang and PPCF as set out in the footnotes in the preceding page of this Offer Document.

MORATORIUM

To demonstrate their commitment to our Group, our Directors, Chua Kim Guan, Ng Boon Leng and Tan Soon Liang who will hold Shares immediately after the Placement, have undertaken to the Manager and Sponsor not to offer, sell, contract to sell, grant any option or right to acquire, or otherwise transfer or dispose of any part of their respective shareholdings in our Company immediately after the Placement for a period of six (6) months from our Company's date of admission to the Catalist (the "**Initial Period**"), and for a period of six (6) months thereafter not to reduce their respective interests in our Company to below 50% of each of their original shareholdings in our Company.

PPCF has also undertaken not to offer, sell, contract to sell, grant any option or right to acquire, or otherwise transfer or dispose of any part of its shareholdings in our Company for the Initial Period and for a period of six (6) months after the Initial Period not to reduce their respective interests in our Company to below 50% of its original shareholdings in our Company. After completion of the aforesaid moratorium periods, PPCF will be disposing of its shareholding interests in our Company at its discretion.

HISTORY

Our Company was incorporated in Singapore as a private limited company under the name of JLJ Holdings Pte Ltd and converted into a public limited company and changed our name to JLJ Holdings Limited on 19 May 2009. In connection with the proposed listing of our Company on the Catalist, the Restructuring Exercise was undertaken. Subsequent to the Restructuring Exercise, our Company became the holding company of our Subsidiaries. For further details, please refer to the section entitled "Restructuring Exercise" of this Offer Document.

The history of our Group can be traced back to 29 July 1993 when our Subsidiary, Jin Li Mould was established by, among others, our Executive Chairman, Chua Kim Guan. Jin Li Mould was established to engage in the MDF business as Chua Kim Guan had identified there to be a shortage of businesses engaged in the design and fabrication of moulds although demand for such MDF products was on the rise. Jin Li Mould initially provided MDF products to computer peripherals industries, and was involved primarily in the design and fabrication of moulds for components for computers and printers. Jin Li Mould commenced operations in a 100 sq m factory in Singapore with five (5) employees and five (5) mould fabrication machines. In 1995, with its continued expansion constrained by space limitation, Jin Li Mould expanded its occupancy to 200 sq m, and over time, Jin Li Mould expanded its occupancy to 600 sq m.

In 1996, Jin Li Mould acquired two (2) CNC and three (3) EDM machines from Japan to enhance our tooling capabilities in a bid to increase its MDF product offerings. The acquisition of these machines enabled Jin Li Mould to design and fabricate intricate and complex precision plastic injection moulds to meet the requirements of the computer peripherals and consumer electronics industries, which required such moulds.

With these improved tooling capabilities, Jin Li Mould went on to secure Hewlett Packard as a customer in 1997. Jin Li Mould supplied moulds to Hewlett Packard for the production of Hewlett Packard's printer products. By 2001 and having acquired the experience and developed the expertise to fabricate high precision moulds with cosmetic finishings for the production of plastic parts/components that are aesthetically pleasing and of high quality finishings, we secured the business of our major customer, Apple where Jin Li Mould supplied Apple with moulds for the production of their iMac range of desktop computers. This was to be the start of our long term business relationship with Apple. The securing of Apple and Hewlett Packard, who are major players in their respective industries and have stringent quality control standards, as our customers bore testament to the high quality standards of our services and capabilities.

In 2003, Jin Li Mould started providing MDF products for Automotive Lighting, a manufacturer of headlights for major car manufacturers like Mazda, Honda and Toyota, marking our entry into the automobile industry.

Anticipating strong growth in the PRC market, our Executive Chairman, Chua Kim Guan decided to expand business into the PRC and established our Subsidiary, EMold Kunshan in March 2003. EMold Kunshan commenced business with a staff strength of 30 and a production facility of approximately 2,400 sq m.

In 2004, with a view to providing an integrated service to its customers, Jin Li Mould introduced PPIM services as well as the Value Added Services which comprise of laser etching, ultrasonic welding, printing, spray painting, polishing and sub-assembly. Jin Li Mould acquired 20 PPIM machines ranging from 60 to 650 tonnes for the production of precision plastic components for the computer peripherals and consumer electronics industries. Jin Li Mould also relocated our Singapore production facility to its current location in Singapore of approximately 5,442 sq m to allow for production expansion to cope with the increasing demand for our services.

Our Executive Chairman, Chua Kim Guan became the sole shareholder of Jin Li Mould in 2005.

In 2005, EMold Kunshan expanded our existing manufacturing facility, being our existing PRC Plant, to approximately 4,600 sq m. Staff strength was increased to 170, and production machinery was expanded to 20 tooling machines and 30 PPIM machines ranging from 60 to 450 tonnes. Such increases enabled EMold Kunshan to undertake increasing production orders from Apple. In that same year, Jin Li Mould established our Subsidiary, Jin Li Thailand in planned expansion into the Thailand market; and our Executive Chairman, Chua Kim Guan also established our Subsidiary, EMold Plastics to provide support in PPIM services to our Singapore operations. EMold Plastics had an initial staff strength of 35 and six (6) PPIM machines ranging from 60 to 180 tonnes.

Our CEO, Ng Boon Leng was recruited and joined our Group in February 2004 to spearhead our PRC operations.

In 2006, given the rising demand for our services, Jin Li Mould and EMold Kunshan acquired four (4) additional double shot PPIM machines; and EMold Kunshan added another manufacturing facility, bringing our total production area to approximately 7,045 sq m to accommodate production capacity increase to meet increased demand for our services in the PRC. In that same year, both Jin Li Mould and EMold Kunshan also successfully obtained ISO9001:2000 certification in recognition of the high quality standards of our manufacturing processes and services.

In 2006, we secured Dyson, a major player in the global household appliances industry, as a new customer, for whom we provided MDF products.

In 2007, seven (7) high speed PPIM machines were acquired by Jin Li Mould and EMold Plastics in Singapore for the manufacture of small and precision components for consumer electronic products such as buttons for Apple’s iPhones and iPods. In September that same year, our Subsidiary, Jubilee was set up by our Executive Chairman, Chua Kim Guan in Johor, Malaysia to better service existing customers of Jin Li Mould that had operations in Malaysia, and in furtherance of cost control strategies for the relocation of part of our MDF and PPIM operations in Singapore to Malaysia to tap the lower land and labour costs there. Jubilee commenced operations in mid-2008 with 21 staff and 22 tooling machines which operated out of its 1,083 sq m production facilities.

Since August 2007, Jin Li Thailand had ceased business due to the poor economic conditions and political turbulence in Thailand and its production machinery has since been redeployed to Jubilee. Jin Li Thailand is pending members’ voluntary liquidation.

In 2008, Jin Li Mould added 5-axis CNC capabilities to its range of CNC machines. In the same year, EMold Kunshan expanded our PRC Plant to approximately 10,624 sq m. As at the Latest Practicable Date, we have grown to a staff strength of 818, 22 CNC machining centers and 102 PPIM machines deployed at our PRC Plant, enabling us to provide the full range of MDF, PPIM and Value Added Services in the PRC.

As a testament to its achievements, Jin Li Mould was awarded the “Singapore SME 500 Award 20th Annual - Promising SME Crossing the S$50m Turnover” award and was recognised as one of the “Top 50 Fastest Growing SME” for 2005, 2006 and 2007 consecutively and was ranked 19th among the “Top 50 Fastest Growing Companies” for 2007. Our Directors believe that these awards are an indication of our strong performance and potential for growth. For further details, please refer to the section entitled “Awards and Accreditation” of this Offer Document.

In the second quarter of 2009, in preparation for the listing of our Company and to organise the corporate structure and operations of our Group, we undertook the Restructuring Exercise pursuant to which our Company acquired the entire equity interests in Jin Li Mould, EMold Kunshan and EMold Plastics. For further details on the Restructuring Exercise, please refer to the section entitled “Restructuring Exercise” of this Offer Document.

BUSINESS OVERVIEW

We are principally engaged in the following:

(a) MDF; and

(b) provision of PPIM services.

We also provide Value Added Services which comprise a wide range of PPIM related value-added services such as laser etching, ultrasonic welding, printing, polishing and sub-assembly.

We sell our mould and provide PPIM services to our customers whose end products are in the consumer electronics, computer peripherals, automotive, and household appliances industries. Our long-term customers for our MDF business include Apple, Dyson and Hewlett Packard, each of whom is a leading player in their respective industries.

For further details, please refer to the sections entitled "Management's Discussion and Analysis of Financial Condition and Result of Operations" and "Our Major Customers" of this Offer Document.

MDF Business

We produce plastic injection moulds for the consumer electronics, household appliances, automotive and computer peripherals industries. MDF or "Tooling" involves the design and fabrication of the precision plastic injection mould, a steel tool made up of many operating mechanisms and parts ("**tooling inserts**") assembled together, and subsequently used in PPIM or sold directly to customers.

We design and fabricate intricate and complex precision plastic injection moulds. In addition, we have the capability to fabricate high precision moulds with cosmetic finishings which are used to produce plastic parts/components that have high quality finishings (e.g. glossy finish/mirror finish) which are typically used by our clients such as Apple in their products.

The revenue derived from our MDF business accounted for approximately 38.2%, 48.8% and 41.4% of our revenue for FY2006, FY2007 and FY2008 respectively. As at the Latest Practicable Date, our MDF division has a total of 104 tooling fabrication machines.

We produce moulds which are then used to manufacture different types of precision plastic components which are typically used as parts of our customers' finished products, such as mobile phones, household appliances, computer peripherals, MP3 players and automotive components.

PPIM Business

We offer a variety of PPIM services including single-shot moulding, double-shot moulding, insert moulding and gas-assisted moulding. Each type of moulding allows different types of precision plastic components to be produced, allowing us to produce a wide range of precision plastic components which are typically used as parts of our customers' finished products including mobile phones, computer peripherals and MP3 players.

To produce precision plastic components, we use injection moulding machines that range from 40 to more than 1,000 tonnes. These machines enable us to produce complex and high precision plastic components. These are fully-automated machines that are capable of 24-hours continuous production. Our machines are also equipped with automated loading and robotic manipulators for speedier and more efficient handling. Our PPIM machines are also equipped with dehumidifiers for complete drying of engineering and hygroscopic materials. We have a total of 165 PPIM machines as at the Latest Practicable Date.

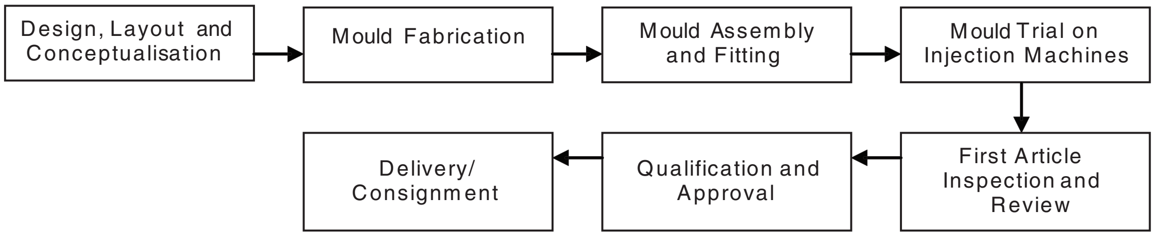
The revenue derived from our PPIM business accounted for approximately 61.8%, 51.2% and 58.6% of our revenue for FY2006, FY2007 and FY2008 respectively.

We also provide Value Added Services, which entail sub-assembly, laser etching, ultrasonic welding, printing services and mechanical assembly services when requested by customers.

PRODUCTION PROCESSES

MDF

The time taken from design to manufacture of a mould is approximately three (3) to twelve (12) weeks depending on the size, complexity and precision of the mould. The diagrammatic representation of our mould design and fabrication process is set out below:



Design, Layout and Conceptualisation

We receive the product designs from our customers and we design the mould based on our customers' specifications. Our engineers and technicians ("**Mould Designers**") will use design software such as Unigraphics CAD/CAM System to determine the most efficient mould concept and design. Our Mould Designers will make dimensional drawings of every metal component in the mould using CAD and CAM software. The dimensions, shrinkage rate of plastic resin, cooling system, gate dimension and finishing requirements of the product are all carefully generated using the software. Our Mould Designers will review and propose refinements to improve the toolability and mouldability of the product, thereby ensuring that the moulds designed and fabricated by us meet customers' requirements.

Mould design is further complicated by the unpredictable behaviour of plastics when it cools down from liquid state to solid state. Shrinkage occurs when the melted plastic "shrinks" or solidifies upon cooling within the mould, resulting in variations in dimensions between the plastic component and mould cavity. Our engineers would generally design a mould that is slightly larger than the specified dimensions to adjust for the effects of shrinkage. We utilise computer simulations to assess the magnitude of the shrinkage patterns, and make decisions based on the experience and knowledge of our engineers to adjust for the effects of shrinkage.

Once the proposed design has been finalised by our design engineer, our project engineer will review the technical aspects of the design, and if this is satisfactory, our design engineer will submit it to the customer for comments and approval. This process can be repeated several times until the customer is satisfied with the mould design. Upon confirmation of mould design, a mould fabrication plan will be developed for the whole fabrication process.

Mould Fabrication, Assembly and Fitting

Once the final design approval is obtained from the customer, our Mould Designers would prepare detailed drawings and development plans for the moulds. Utilising various machines such as CNC, EDM and wire-cut machines, each of the various operating mechanisms of the mould go through the process of milling, drilling, engraving, grinding and wirecutting to achieve the required specifications. The finished steel parts that make up the mould are then fitted and assembled together to form the mould.

After the moulds are fabricated, they go through polishing processes. These activities require manual dexterity skills. Various types of hand tools are used to remove machine marks left on the critical surface of the cavity inserts and to polish the surface of the moulds to the specifications stipulated by the customers. For example, moulds for cosmetics parts may require the cavities to be polished to ultra-smooth finishing.

Mould Trial on Injection Machines

Finished moulds are set up on the PPIM machines for the quality assessment to ensure that they meet our customers' specifications. A first batch of samples will be inspected and checked to see if customers' specifications are met.

First Article Inspection and Review / Qualification and Approval

After the first batch of samples of the plastic components produced are of a satisfactory standard, a first article inspection report is issued. We will then proceed to conduct process capability studies to ensure the reliability and consistency of the data. These reports which consist of the first article inspection report and the process capability studies will be prepared and sent to customers for their review and approval. Customers will typically carry out a form, fit and functional test on the samples. We also provide additional samples to customers for them to conduct trial builds to ascertain the assembled final product meets their specifications.

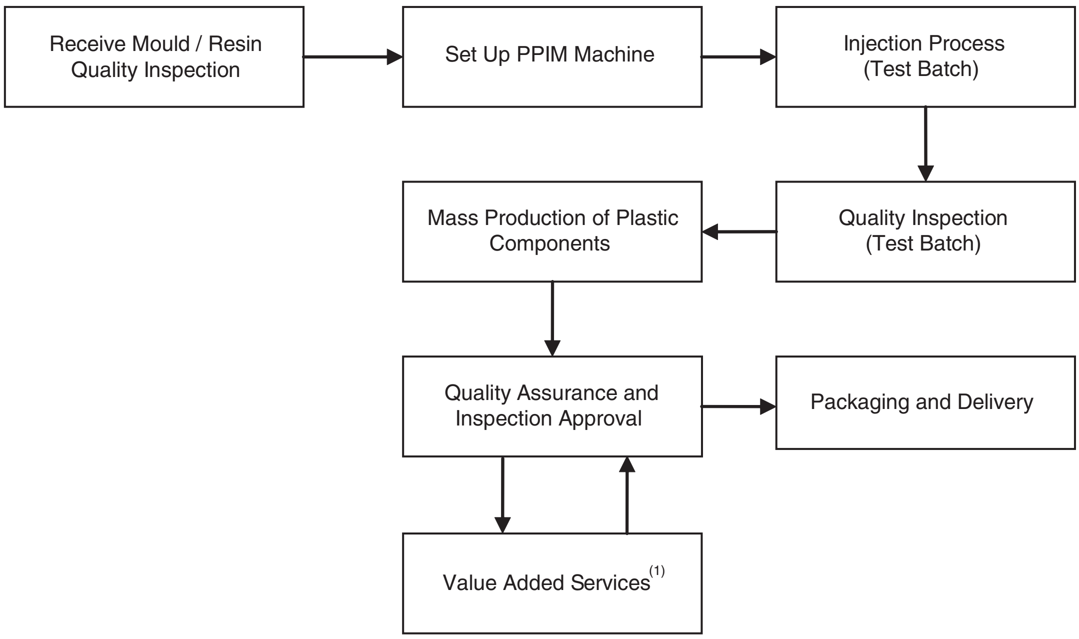
Delivery / Consignment

The completed moulds are sent to the customers for approval and upon approval, are either consigned back to our production facilities for PPIM or shipped directly to the customers.

PPIM

The PPIM process involves the injection of molten resin into a clamped mould under high pressure and at high temperature. Thereafter, the component is allowed to cool to form the predetermined shape and is then ejected from the mould.

The process flow chart for our plastic injection moulding process is as follows:



Note:

(1) Value Added Services such as sub-assembly, laser etching, ultrasonic welding and spray painting services may or may not be required depending on the component design or specifications. Such services may also be provided after assembly for some components.

Receive Mould / Resin Quality Inspection

The moulds are received from our Group's tool room. An initial inspection of all raw plastic resins and moulds upon receipt at our PPIM department is conducted.

Set up PPIM Machine

Once the initial inspection process is completed, the plastic resins are pre-heated and dried in a dehumidifier. While the plastic resins are being dried, the production technician sets the mould ready within the plastic injection moulding machine. This set-up process involves the placement, alignment, adjustment and securing of a mould into a machine plate and setting the moulding parameters of the machine. At the same time, the mould is regulated at the required temperature according to the moulding parameters.

Injection Process (Test Batch)

The injection process begins when the mould is properly set up and the resin dried according to specifications. The pre-heated resin is then transferred to the machine heating barrel to melt it at the desired temperature set for each type of resin. The resulting melted resin is then injected by a ram moving at optimal speed and pressure, into a metal mould to fill up its cavities. The high pressure is maintained against the molten resin to allow the resin to solidify within the mould at low temperature into the predetermined shape and size of the plastic components. The temperature is controlled by coolants flowing through channels in the mould. The molten resin is allowed to cool in the mould once the injection process is completed. The mould is opened once the part has cooled sufficiently so that it will maintain its shape after ejection from the mould. The hardened plastic components are then ejected from the mould or removed by robotic arms.

Quality inspection (Test Batch)

The production technician will commence production on a test batch of plastic components for quality control inspection. If the test batch meets the specifications, a report detailing the measurement and sample is placed at the machine for reference. The production staff will use such measurement data and set up samples as reference when running mass production.

Mass Production of Plastic Components / Quality Assurance and Inspection Approval

Throughout the mass production process, periodical inspection is carried out to ensure that the plastic components conform to product specifications. Production operators will visually perform cosmetic checks of the plastic components to ensure conformance with requisite specifications before packing. Prior to sending to our customers or secondary processing, quality assurance inspectors will randomly pick up sample plastic components to perform visual and dimensional inspection using vernier calipers, smart scopes, pin gauges, co-ordinated measuring machines and profile projectors.

Packaging and Delivery / Value Added Services

Upon completion of the quality assurance process, the plastic components are packed and delivered to our customers or sent for our Value Added Services.

Our Value Added Services

We provide our customers with a wide range of Value Added Services comprising mainly surface finishing services such as silk screen painting, tampo printing and other value-added support services like ultrasonic welding and sub-assembly. This enables us to provide our customers with components in modular forms with value-added processes as follows:

(a) Printing

(i) Silk Screen Printing

This involves the transfer of ink lettering or designs onto the plastic components by using a fine-mesh synthetic material held in a frame. A pattern is produced by selectively sealing some holes in the mesh, leaving those of the design area open. Ink is placed in the screen frame and a fixture positions the screen lightly above the plastic component. A squeegee is moved across the screen, forcing ink through the open holes of the pattern and onto the surface of the plastic part. The screen is then lifted and the part is removed and dried. The process is limited to the parts having a flat surface and to designs which have a single colour. For multiple colour designs, a separate screen is required for each colour and during drying time between each colour change.

(ii) Tampo Printing

Tampo printing is a low pressure process for printing on small, flat or irregular shaped surfaces. It uses a soft silicon stamp to transfer a pattern from an ink pad to the desired surface.

(b) Ultrasonic Welding

Ultrasonic energy from electrical transducers is used to weld plastic components together or insert metal components into plastic parts.

(c) Laser Etching

Laser etching is a process that uses lasers to darken the surface of the plastic component or to burn away parts of the double-shot moulded plastic component so as to engrave permanent marks in the form of high definition alpha numeric characters or symbols on the component. The surface of double-shot moulded plastic component is burned precisely so that the colour underneath the first layer of moulded plastic material can be revealed. Our Group's laser marking machine capabilities enable us to manufacture components, with precise and high definition characters, for use in any plastic component parts as descriptive and decorative panels.

By using various computer programs, this technology enables different patterns and shapes to be carved out from plastic components at high speeds without coming into contact with the material.

(d) Spray Painting

This involves the automated controlled spraying of a plastic film or coating over a moulded plastic component. The moulded plastic component must first have the right surface finish so as to allow for proper adhesion of the plastic coating. The viscosity of the paint and air pressure must also be correctly controlled to produce the right thickness, evenness and colour.

Spray painting on plastic component adds a decorative effect to the surfaces of the plastic components by producing a high gloss metallic or Cameron finish or to improve the functionality of the components by enabling the introduction of high-wear resistance coating required for handheld devices and car stereo buttons.

All painted components are subject to a curing and drying process at a temperature range and at intervals recommended by the paint supplier. Various tests, such as paint reliability tests, humidity exposure and chemical resistance tests are carried out to ensure that the painted components meet our customers' specifications.

We typically outsource this process to third party contractors.

(e) Sub-assembly

Sub-assembly involves assembling a part or parts of our customers' finished plastic component products. The assembly process begins with the gathering of all the various components, either plastic or non-plastic, to be assembled. These components are either manufactured by our Group or consigned by our customers or purchased from third party suppliers.

After going through the necessary in-coming quality assurance inspection, the purchased components are placed together with the plastic components manufactured in-house at the respective sub-assembly stations in preparation for assembly. During the process, the product is built-up in stages as it moves from one sub-assembly station to another. The movement from one sub-assembly station to another is done either manually or via conveyor belts. In-process inspection is carried out at inspection points at regular intervals to ensure that the product assembled by us meets our customers' requirements at each stage of the assembly process.

The assembled product undergoes out-going inspection and testing for quality assurance before it is delivered to our customers.

PRODUCTION FACILITIES, EQUIPMENT AND CAPACITY

Production Facilities and Equipment

We carry out all our manufacturing activities at our Singapore Plant, PRC Plant and Malaysia Plant.

We manufacture moulds and provide PPIM services at our Plants. The key production equipment we deploy at our Plants includes tooling machines for MDF such as CNC machines, EDMs, wire-cut machines and PPIM machines.

(a) Singapore Plant

Our Singapore Plant has a gross production area of approximately 5,442 sq m and was staffed by 218 staff as at the Latest Practicable Date.

(b) PRC Plant

Our PRC Plant has a gross production area of approximately 10,625 sq m and was staffed by 575 staff as at the Latest Practicable Date.

(c) Malaysia Plant

As at the Latest Practicable Date, our Malaysia Plant had a gross production area of approximately 1,083 sq m and was staffed by 25 staff. Jubilee has since acquired additional production area of 4,964 sq m which is currently being retrofitted for production use.

As at the Latest Practicable Date, our MDF division has a total of 20 EDMs, 12 wire-cut machines and 22 CNC machining centres and our PPIM division has a total of 165 PPIM machines ranging from 40 tonnes up to 1,600 tonnes.

Save as disclosed in Appendix D entitled "Description of Relevant Laws and Regulations", there are no Singapore, PRC or Malaysia regulatory requirements or environmental issues that may materially affect the utilisation of our fixed assets which are located in Singapore, PRC and Malaysia.

The types and number of units of the primary machines that we have at PRC, Malaysia and Singapore as at the Latest Practicable Date are as listed below:

MDF Machines	**PRC (Units)**	**Malaysia (Units)**	**Singapore (Units)**
CNC	9	2	11
EDM	5	5	10
Wire-Cut Machines	3	3	6
Milling Machines	6	4	11
Grinding Machines	7	7	15
PPIM Machines	102	25	38

Power Supply

Electricity is the principal source of energy for our manufacturing operations. To date, we have not experienced any prolonged power shortages or stoppages.

Maintenance

We carry out periodic maintenance and servicing for our production equipment. Save for such planned maintenance and servicing shutdowns, we have not experienced any major shutdown or disruption to our manufacturing operations.

Production Capacity and Utilisation

Our production capacity is limited by our production floor area, production equipment and manpower.

The following table illustrates the maximum production capacity and the approximate utilisation rate of our production lines for manufacture of PPIM products at our Singapore Plant and PRC Plant for FY2006, FY2007 and FY2008 and our Malaysia Plant for second half of FY2008.

(a) Our MDF

	Singapore Plant		**PRC Plant**		**Malaysia Plant[3]**	
	Maximum Production Capacity (Machine Hours)[1]	**Approximate Utilisation Rate (%)[2]**	**Maximum Production Capacity (Machine Hours)[1]**	**Approximate Utilisation Rate (%)[2]**	**Maximum Production Capacity (Machine Hours)[1]**	**Approximate Utilisation Rate (%)[2]**
FY2006	135,000	52.0	87,500	71.0	n.a	n.a
FY2007	175,000	55.0	90,000	85.0	n.a	n.a
FY2008	200,000	63.0	116,500	79.0	41,250	15.0

Notes:

(1) Our maximum annual production capacity of the production equipment used for the manufacture of our MDF products is measured in terms of machine hours based on the formula below:

Maximum production capacity = Number of CNC, EDM and wire-cut machines x 20 hours per day x 250 days
+
Number of grinding and milling machines x 10 hours per day x 250 days

The maximum production capacity for the CNC, EDM and wire-cut machines are calculated on a basis of 20 hours per day as they are computer controlled machines that are capable of running non-stop for 24 hours. Four (4) hours has been discounted to account for the set-up time.

The milling and grinding machines are manually operated and therefore the maximum production capacity is only calculated on a basis of 10 hours per day.

(2) Approximate utilisation rate of our production equipment is based on the number of hours that our MDF machines are in operation divided by the maximum annual production capacity. It is unlikely for our Group to achieve 100% utilisation rate for our production facilities because:

(a) We manufacture moulds for a wide range of products.

(b) The maximum capacity is based on the continuous operation of all the MDF machines. However, as mentioned in the section entitled “Production Processes” of this Offer Document, not all the MDF machines are being utilised simultaneously in the production of the mould.

(c) As mentioned in the section entitled “Management’s Discussion and Analysis of Financial Condition and Result of Operations” of this Offer Document, our Group’s revenue for the MDF business is subject to seasonal fluctuations. Our capacity utilisation rate typically picks up in the second and third quarter of the year. In the first and fourth quarter of the year where our Group records lower sales for its MDF business, the utilisation rate of the production facilities would be lower. Accordingly, when annualised, the utilisation rate of our production facilities is unlikely to reach 100%.

(3) Our Malaysia Plant has only commenced operations in June 2008.

(b) Our PPIM

	Singapore Plant		PRC Plant		Malaysia Plant(3)	
	Maximum Production Capacity (Machine Hours)(1)	Approximate Utilisation Rate (%)(2)	Maximum Production Capacity (Machine Hours)(1)	Approximate Utilisation Rate (%)(2)	Maximum Production Capacity (Machine Hours)(1)	Approximate Utilisation Rate (%)(2)
FY2006	236,273	29.4%	334,796	61.0%	n.a	n.a
FY2007	228,870	36.0%	480,195	53.0%	n.a	n.a
FY2008	270,832	32.1%	499,500	46.0%	n.a	n.a

Notes:

(1) Our maximum annual production capacity of the production equipment used for the manufacture of our precision plastic injection moulding products is measured in terms of machine hours based on the formula:

Maximum production capacity = Number of machines x 20 hours per day x 300 days

(2) Approximate utilisation rate of our production equipment in this case, based on the number of hours that our PPIM machines are in operation divided by the maximum annual production capacity. It is unlikely for our Group to achieve 100% utilisation rate for our production facilities because:

(a) We provide services for a wide range of products. PPIM machines of different clamping forces are used to produce different kinds of products.

(b) The maximum capacity is determined based on the continuous production of all PPIM machines. However as certain products can only be produced by PPIM machines of certain clamping forces, there would be situations whereby PPIM machines of certain clamping forces are left unutilised. The formula for calculating maximum capacity does not take this into account.

(c) As mentioned in the section entitled "Management's Discussion and Analysis of Financial Condition and Result of Operations" of this Offer Document, our Group's revenue for the PPIM business is subject to seasonal fluctuations. Our capacity utilisation rate typically picks up in the second and third quarter of the year. In the first and fourth quarter of the year where our Group records lower sales for its PPIM business, the utilisation rate of the production facilities would be lower. Accordingly, when annualised, the utilisation rate of our production facilities is unlikely to reach 100%.

(3) As of 2008, our Malaysia Plant does not conduct PPIM business.

QUALITY ASSURANCE

We believe that having an established quality management system is one of the main factors contributing to our success and is crucial to us maintaining our reputation as a manufacturer of quality products. We have built in a set of quality control assurance and monitoring procedures in every stage of the design and fabrication of moulds and plastic injection moulding processes. The various stages include the receipt of raw materials, design, production, finishing, final inspection, delivery and administration. We have a quality assurance department which reports directly to the general manager of each production facility within our Group.

As at the Latest Practicable Date, our quality assurance department, comprising 21, 37 and two (2) quality assurance personnel in Singapore, the PRC and Malaysia respectively, conducts quality checks on all the products manufactured and oversees the implementation of the quality controls at every stage of our production process in line with our quality management system.

Our stringent quality control procedures are implemented across our value chain from the selection of our raw materials, each stage of our production process, packing and delivery. These procedures have been established in our Singapore Plant and PRC Plant with reference to international accreditations such as ISO9001:2000. The quality control procedures of our Singapore Plant and PRC Plant have been ISO9001:2000 accredited since 2005. These procedures ensure that materials, products, processes or systems that do not conform to our quality control assurance and monitoring procedures, or to our customers' requirements, are reported, identified, evaluated and tracked for corrective action.

The following quality control procedures have been implemented in our production process in line with our quality management system:

(a) In-coming quality assurance

In-coming raw materials used in our Group's manufacturing processes and products or services provided or manufactured by third party sub-contractors are subject to inspections at the point of receipt by our quality assurance department. Any defects or non-compliance with our quality standards are immediately highlighted to the suppliers or sub-contractors for replacement or rectification. We document all quality assurance checks on all in-coming materials and sub-contracted works and conduct monthly reviews on the quality of our suppliers and sub-contractors.

(b) Machine set-up

This involves ensuring that the mould and moulding parameters such as pressure, temperature, speed and timing for each stage of the process are set in accordance with specifications set up by the engineering team.

(c) In-process quality assurance

In-process quality assurance measures are implemented throughout the production process to ensure that defective semi-completed products do not proceed to the next stage of the production process. This involves visual and dimensional inspection of both tooling and production operations.

(i) Mould design and tooling quality assurance

Design release and documentation controls are vital to our mould design and fabrication operations. All engineering changes, design improvements and the various stages of design verification and approvals are monitored, documented and controlled. Upon completion of the mould or die, our Group conducts mould or die trials to ensure conformity of designs to the level of expectations set by our customers.

(ii) Production quality assurance / Final inspection and testing

Our Group employs a wide range of quality assurance mechanisms and systems at different stages of our production processes to administer preventive and corrective measures to maximise final product quality. Random samples are being selected for dimensional inspection every two (2) to four (4) hours so that we can monitor their process capability and process deviation and every single product is being screened visually to ensure they meet our customers' expectations.

The production section leader at each stage of production is responsible for quality control at each stage of the production process whereas our quality assurance department conducts random checks on the semi-completed and completed products in order to ensure compliance with quality control standards.

(d) Final quality assurance

Completed products undergo final quality inspection to ensure compliance with our quality control standards and customers' design and specifications. Any item which fails the final quality assurance check will not be sent to our customers. Final quality inspection is thorough, and covers all aspects of the product.

Completed products that pass the final quality inspection will be stored in our warehouses under the supervision of our quality assurance department.

(e) Outgoing quality assurance

Prior to delivery of our products to our customers, our quality assurance department will carry out random quality checks on all completed plastic and metal components to ensure that none of the products to be delivered have been damaged during storage and that packaging requirements are fully complied with. This is particularly so for products that requires special packaging. Only completed products and packaging that conform to our customers' stringent requirements and standards are delivered.

As at the Latest Practicable Date, there has been no significant rejection of any of our products.

As a testament to our commitment to quality assurance, our Group has achieved the following certifications:

Company	Certification
Jin Li Mould	ISO9001:2000 Quality Management System for the design and manufacture of moulds
EMold Kunshan	International Quality System Standard ISO9001:2000 for the design and manufacture of plastic injection mould, and manufacture of plastic injection parts
EMold Plastics	ISO9001:2000 Quality Management System for plastic injection moulding

SALES AND MARKETING

Our Business Development Director, Mr Yeo Bee Choon, heads our sales and marketing department which is staffed by eight (8) sales and marketing personnel as at 31 December 2008. Our sales and marketing department is responsible for formulating sales and marketing strategies through market research and surveys, and the conduct of marketing activities to promote our PPIM products.

Our sales and marketing strategies include:

(i) Direct sales and marketing activities

Direct sales and marketing activities involve regular meetings with and periodic visits to our major customers in the United States and Europe to update them on our Group's capabilities and to discuss their product specifications and launch schedules while the product is still in the early stages of its development. We provide technical advice and suggestions to our customers' design teams during the early stages of their product development process. This increases our understanding of their requirements and also allows us to promote our new capabilities, which provides us with an advantage in the face of competition.

(ii) Participation in trade fairs and exhibitions

We participate regularly in trade fairs and exhibitions abroad which have previously included Euromould in Germany for year 2005, 2006 and 2007, Automotive Mission in Germany and France in year 2006 and the National Plastics Exhibition in McCormick Place, Chicago in year 2007.

Through participation in trade exhibitions, we raise our corporate profile which we believe allows us to market our products and services to international audiences and at the same time, generate sales leads. We also receive enquiries from prospective customers through referrals from our suppliers and customers, and enquiries submitted through our internet website. Our sales team follows up closely on these sales leads in order to convert them into successful sales.

RESEARCH AND DEVELOPMENT

We currently do not carry out research and development activities.

AWARDS AND ACCREDITATION

Various awards and certificates have been received by Jin Li Mould, EMold Plastics and EMold Kunshan over the years. We believe that these are testimonies of our achievements and our commitment towards excellence. Some of the recent awards and certificates received are set out below:

Awarding Authority / Accrediting Body	Award	Year	Entity
DP Information Group	Singapore SME 500 Award 20th Annual (2007) – Promising SME Crossing the S$50 Million Turnover	2007	Jin Li Mould
DP Information Group	Singapore SME 500 Companies	2007	Jin Li Mould
DP Information Group	Singapore Fastest Growing 50 Companies	2007	Jin Li Mould
Automotive Lighting	Certificate of Appreciation for Most Reliable Business Partner in Mould Fabrication	2007	EMold Plastics
DP Information Group	Singapore SME 500 Companies	2006	Jin Li Mould
DP Information Group	Singapore SME 500 Companies	2005	Jin Li Mould
DP Information Group	Singapore Fastest Growing 50 Companies	2005	Jin Li Mould
Certification International (UK) Limited	ISO9001:2000 Quality Management System for the design and manufacture of moulds	9 December 2008 (valid till 10 November 2011)	Jin Li Mould
Certification International (UK) Limited	ISO9001:2000 Quality Management System for plastic injection moulding	6 January 2009 (valid till 14 November 2010)	EMold Plastics
AQA International, LLC	International Quality System Standard ISO9001:2000 for the design and manufacture of plastic injection mould, and manufacture of plastic injection parts	4 December 2008 (valid till 13 November 2010)	EMold Kunshan
Asustek Computer Inc., Green Management System Verification	Green Management System Standard for the plastic product range	6 September 2007 (valid till 5 September 2009)	EMold Kunshan
PEGATRON & Unihan Corporation	Green Product Management System Certificate for conformity to PureGMS Standard	28 May 2008 (valid till 28 May 2010)	EMold Kunshan

OUR MAJOR CUSTOMERS

Our major customers who accounted for 5% or more of our Group's revenue for FY2006, FY2007 and FY2008 are as follows:

	FY2006		FY2007		FY2008	
Name of Customer	**S$'000**	**%**	**S$'000**	**%**	**S$'000**	**%**
Apple and Apple intermediaries[(1)]	27,532	70.8	31,728	64.7	41,953	82.5
Dyson and Dyson intermediaries[(2)]	1,631	4.2	9,467	19.3	880	1.7

Notes:

(1) To the best of our Directors' knowledge, Apple directs its intermediaries for its product programs to place orders to procure our PPIM services for moulds ordered by Apple from us. For further details on the revenue derived from such intermediaries who individually account for 5% or more of our total revenue, please refer to the table below:

	FY2006		FY2007		FY2008	
Name of Customer	**S$'000**	**%**	**S$'000**	**%**	**S$'000**	**%**
ASUS	7,009	18.0	–	–	66	0.1
Hon Hai	3,296	8.5	2,067	4.2	1,702	3.3
Foxconn	2,763	7.1	4,808	9.8	4,861	9.6
Hongfujin	1,959	5.0	3,169	6.5	2,681	5.3
Tech-Full	–	–	3,067	6.3	6,100	12.0
Quanta	132	0.3	1,956	4.0	2,602	5.1

(2) To the best of our Directors' knowledge, Dyson may also direct its intermediaries for its product programs to place orders to procure moulds from us, in addition to orders placed directly by Dyson. For further details on the revenue derived from sales to such intermediaries who individually account for 5% or more of our total revenue, please refer to the table below:

	FY2006		FY2007		FY2008	
Name of Customer	**S$'000**	**%**	**S$'000**	**%**	**S$'000**	**%**
Meiban Technologies	–	–	3,800	7.7	436	0.9

To the best of our Directors' knowledge, we are not aware of any information or arrangements which would lead to a cessation or termination of our current relationship with any of our existing major customers.

Dyson has been a customer since 2006. Sales to Dyson and its intermediaries increased from 4.2% of our total revenue in FY2006 to 19.3% of our total revenue in FY2007 due to numerous new product programs that were introduced by Dyson in FY2007. To the best of our Directors' knowledge, sales to Dyson decreased from 19.3% of our total revenue in FY2007 to 1.7% of our total revenue in FY2008 mainly due to a reduction in the number of new product programs introduced by Dyson in FY2008.

None of our Directors or Substantial Shareholders or their respective associates has any interest, direct or indirect, in any of the above major customers.

OUR MAJOR SUPPLIERS

The primary raw materials used are steel, plastic resins, MDF services and PPIM services of other companies whom we engage in the event that we do not have sufficient capacity to fulfil our customers' order.

Our major suppliers who accounted for 5% or more of our purchases for FY2006, FY2007 and FY2008 are as follows:

Name of Supplier	Raw Material / Services Supplied	FY2006		FY2007		FY2008	
		S$'000	%	S$'000	%	S$'000	%
Sabic	Plastic Resins	1,257	7.2	2,494	14.0	2,198	11.1
Dow Chemical	Plastic Resins	1,005	5.8	1,205	6.8	1,392	7.0
Shenming	Components for sub-assembly of PPIM product	1,725	9.9	2,135	12.0	2,108	10.6
Thai Home Manufacturing	PPIM Subcontract	1,849	10.6	350	2.0	579	2.9
U-Can	MDF Subcontract	655	3.8	2,585	14.5	2,144	10.8
Future Mould	MDF Subcontract	513	2.9	1,498	8.4	2,023	10.2
Wanco Industrial	Mould Base	458	2.6	864	4.8	996	5.0

We typically select between a few suppliers for our supply of steel and for the subcontracting of MDF and PPIM services. We select suppliers based on criteria such as the competitiveness of their pricing, product quality, volume supply capability and creditworthiness. For raw plastic resins and components most of our customers specify the suppliers from whom we are to purchase the raw plastic resins and/or components.

To the best of our Directors' knowledge, we are not aware of any information or arrangements which would lead to a cessation or termination of our current relationship with any of our major suppliers of our business.

Thai Home Manufacturing first became our supplier of PPIM services in 2004. Our purchases from them decreased from 10.6% of our total purchases in FY2006 to 2.0% of our total purchases FY2007 due to their involvement in the manufacture of the iPod Shuffle, which was a project which involved sub-assembly work that incurred significant expenditure. The tail end of the iPod Shuffle program was in 2006.

U-Can first became our supplier of MDF services in 2002. Our purchases from them increased from 3.8% to 14.5% of our total purchases in FY2006 to FY2007 as we had secured significant orders during certain periods within a year from our customers and did not have sufficient capacity during such periods to meet these orders. We outsourced such orders to U-Can in order to fulfil such orders.

Future Mould first became our suppliers of MDF services in 2005. Our purchases from them increased from 2.9% to 8.4% of our total purchases from FY2006 to FY2007 as we had secured significant orders during certain periods within a year from our customers and did not have sufficient capacity during such periods to meet these orders. We outsourced such orders to Future Mould in order to fulfil such orders(1).

Wanco Industrial first became our supplier of steel mould base in 2004. Our purchases from Wanco Industrial increased from 2.6% to 4.8% of our total purchases from FY2006 to FY2007 due to the organic growth of our business.

Note:

(1) Future Mould was an Interested Person, but ceased to be an Interested Person as at 19 September 2008. For details, please refer to the section entitled "Past Interested Person Transactions" of this Offer Document.

As stated above, for raw plastic resins and components, most of our customers specify the suppliers from whom we are to purchase the raw plastic resins and/or components and we therefore often do not have the flexibility of purchasing these materials from suppliers of our choice. Sabic and Dow Chemical are specified suppliers directed by our customers and our purchase volume from them is dependant on the project/program that we have secured from our customers.

None of our Directors or Substantial Shareholders or their respective associates has any interest, direct or indirect, in any of the above major suppliers.

CREDIT MANAGEMENT

Our Credit Policy

We typically extend to our customers credit terms of between 30 to 90 days.

In assessing the credits terms to be extended to a customer, we take into account the nature of the contract with such customer, creditworthiness of such customer, payment history of such customer (if an existing customer) and the relationship that we have with such customer. The creditworthiness of such customer is assessed by our finance department after reviewing the financial position or profitability and cash flow position of such customer through publicly available records. The decision and the credit terms will later be approved by the management of our Group.

For the sale of precision plastic components, assembled products and our Value Added Services, we invoice our customers upon delivery of the goods or services. For the direct sales of moulds, we adopt a down payment and progress billing policy.

In respect of new customers we may, depending on our assessment of their creditworthiness and market reputation, require an initial payment on their purchases before delivery of our products to them.

In the event that a customer fails to pay us within the stipulated period, our finance department and sales and marketing department will follow-up with the customer to attempt to recover the debt before seeking legal recourse.

Trade Receivables' Turnover Days

Our trade receivables' turnover days for FY2006, FY2007 and FY2008 are as follows:

	FY2006	FY2007	FY2008
Trade receivables' turnover days [(1)]	99	74	75

Note:

(1) Trade receivables' turnover days = (average trade receivables / total revenue) x 360 days.

Allowance for Impairment of Trade Receivables

We monitor all outstanding debts closely in order that specific allowance may be made in the event that the recovery of any debt appears doubtful. The quantum of such allowance is dependant on the duration for which the debt is overdue as well as our assessment of the likelihood that such debt may be unrecoverable. We have made allowance for impairment of trade receivables of S$49,200 for FY2008 in respect of a mould produced for an existing customer who has contended does not meet its specification, a contention which we are refuting and are in negotiations with such customer.

We have not had any bad debts written off for FY2006, FY2007 and FY2008.

Credit Policy of our Suppliers

Credit terms granted to us by our suppliers vary from supplier to supplier and are dependent, amongst others, on our relationship with the particular supplier and the size of our purchases.

The usual credit terms extended to us by our trade suppliers generally range between 30 to 90 days. However, some suppliers demand payment before delivery of the goods to us. We typically pay within the given credit period.

Our trade payables' turnover days for FY2006, FY2007 and FY2008 are as follows:

	FY2006	FY2007	FY2008
Trade payables' turnover days (1)	199	106	96

The higher trade payables' turnover days for FY2006 was due to the securing of major projects from Apple which resulted in a high volume of trade creditors as at the end of FY2005.

Note:

(1) Trade payables' turnover days = (average trade payables / material purchases) x 360 days.

INVENTORY MANAGEMENT

Our inventory comprises mainly raw materials, work-in-progress and finished products. The inventory for raw materials comprises mostly resin, steel and components.

We do not maintain inventory for our tooling products as all our Group's moulds are built-to-order based on the production specifications and requirements of our customers. Depending on the complexity of the mould, the entire mould design and fabrication process in majority of our cases takes around three (3) to 12 weeks to complete. Before mould completion, the cost of these moulds are classified as deferred cost and reviewed on monthly basis to detect costs overrun.

In respect of our PPIM products, we typically manufacture our PPIM products in response to customers' orders, sales forecasts and production requirements and run production based on the orders placed.

Our PPIM customers typically provide a forecast of purchase requirements which is subsequently executed through firm orders of specific quantities and delivery dates. We typically maintain our PPIM inventory levels for raw materials and finished PPIM products based on such forecast provided. As the forecast of the purchase requirements of our customers may change from time to time, these customers typically provide us with an updated rolling forecast. We seek payment from our customers for our PPIM inventory of raw materials and finished PPIM products maintained for an agreed period of the rolling forecast in the event order contracts for such agreed period are cancelled.

As at 31 December 2008, approximately S$1.1 million of our inventories was in respect of raw materials and approximately S$1.2 million of our inventories was in respect of finished products.

As at the Latest Practicable Date, we have two (2) warehouses each of which is located in our Singapore Plant and PRC Plant. Finished products are occasionally at the request of our customers delivered and stored in third party warehouses as designated by them to facilitate their timely collection of our finished products.

We adopt the first-in first-out method of inventory management in our Singapore Plant which means that materials received first will the first to be used in our manufacturing process. While the weighted average method is adopted in our PRC Plant, nonetheless all materials received first will be used first in our manufacturing process. Although we adopt different stock control methods in these two (2) countries, the variance is immaterial. We monitor the aging of our stock of raw materials and review our stocks level in tandem with sales prospects.

Our inventory management process is described below:

(a) Inventory cycle-count

We have implemented a system of cycle-count for inventory throughout the year. This further reduces inventory obsolescence and provides a year round check on the accuracy.

(b) Bi-annual inventory stock-take

We conduct a half-yearly stock-take of inventory in June and December. The results are carefully verified against and reconciled with inventory records. Any discrepancy will be thoroughly investigated and corrective measures implemented.

We have adopted a policy of making specific provision for inventory obsolescence. We review our inventory aging together with the sales terms periodically to determine if it would be appropriate to make specific provision for any inventory obsolescence.

There was no inventory written off for FY2006, FY2007 and FY2008.

Our average inventory turnover days in each of FY2006, FY2007 and FY2008 are as follows:-

	FY2006	FY2007	FY2008
Average inventory turnover days	34	44	40

Note:

(1) Average inventory turnover days = (Average inventory balance / PPIM cost of sales) x 360 days.

PROPERTIES AND FIXED ASSETS

Properties

As at the Latest Practicable Date, the following table sets out all the properties leased by our Group.

Description and Location	Approximate Land Area (sq m)	Tenure	Monthly Rent	Use/Activities	Lessor
No. 2 Woodlands Sector 1 #01-35 Woodlands Spectrum 1 Singapore 738068	2,384	1 May 2007 – 30 April 2010	S$18,500	Factory and office premises	Mapletree
No. 2 Woodlands Sector 1 #01-33 Woodlands Spectrum 1 Singapore 738068	1,968	1 May 2007 – 30 April 2010	S$18,500	Factory and office premises	Mapletree
No. 203 Woodlands Ave 9 #01-52 Woodlands Spectrum 2 Singapore 738956	1,090	1 January 2008 – 31 December 2010	S$13,389	Factory and office premises	Mapletree
8 Jiefang Road Kunshan Economic Technical Development Zone (江苏省昆山开发区街坊路8号)	2,442	15 April 2003 – 31 December 2010	RMB34,188	Factory and office premises	HXC

Description and Location	Approximate Land Area (sq m)	Tenure	Monthly Rent	Use/Activities	Lessor
15 Jiefang Road Kunshan Economic Technical Development Zone (江苏省昆山开发区街坊路15号)	2,149	20 January 2005 – 31 December 2010	RMB30,080	Factory and office premises	HXC
28 Jiefang Road Kunshan Economic Technical Development Zone (江苏省昆山开发区街坊路28号)	2,454	18 February 2006 – 31 December 2010	RMB31,900	Factory and office premises	HXC
No. 8 Shaojin Road, Kunshan Development Zone (江苏省昆山经济技术开发区邵泾路8号)	3,580	15 August 2008 – 14 August 2013	RMB42,960	Factory and office premises	HXC
Room 202, Building 15# of Sunshine City (阳光昆城)[1]	110	19 March 2009 to 18 March 2010	RMB2,600	Residence of senior managers of EMold Kunshan	Bei Deqiang (贝德强)
Room 404, Building 27# of Sunshine City (阳光昆城)[1]	135	1 July 2008 – 30 June 2009	RMB3,000	Residence of senior managers of EMold Kunshan	Weng Minyu (翁敏玉)
Room 904, Building 2# of Kun Cheng Hao Ting (昆城豪庭)[1]	106	25 July 2008 to 24 July 2009	RMB2,600	Residence of senior managers of EMold Kunshan	Zhang Wang (张旺)
Room 906, Building 27# of Si Ji Hua Cheng (四季华城)[1]	98	18 September 2009 to 17 September 2009	RMB2,200	Residence of senior managers of EMold Kunshan	Wang Aiqin (王爱琴)
Room 406, Building #26 of Si Ji Hua Cheng (四季华城)[1]	102	17 November 2008 to 16 November 2009	RMB2,500	Residence of senior managers of EMold Kunshan	Jin Longzhu (金龙珠)
Room 1203, Building 9# of Shanghai Residence (上海公馆)[1]	137	10 December 2008 to 9 December 2009	RMB2,750	Residence of senior managers of EMold Kunshan	Zhu Wei (朱卫)
No. 11, Jalan Gemilang 3, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor, Malaysia	1,083	16 December 2007 – 15 December 2009	RM6,500	Factory and office premises	Hoe Huat Hng Enterprises (M) Sdn Bhd

Description and Location	Approximate Land Area (sq m)	Tenure	Monthly Rent	Use/Activities	Lessor
No. 10, Jalan Istimewa 7, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor, Malaysia	4,964	1 August 2008 – 31 July 2011	RM42,000	Factory and office premises	Sinko Properties Sdn. Bhd.

Note:

(1) The lease agreements in respect of these properties have not been registered with the local authorities in the PRC. Under PRC laws, lease agreements without proper registration cannot be enforceable against any third party. Our Directors are of the view that this is not material to the business and operations of our Group in the PRC.

Fixed Assets

Other material fixed assets used by our Group comprise the equipment deployed at our Singapore Plant, PRC Plant and Malaysia Plant, details of which are set out in the section entitled "Production Facilities, Equipment and Capacity" of this Offer Document.

STAFF TRAINING

Our staff training is typically conducted internally by senior management and the various heads of department at our premises. We also engage external trainers to conduct training where appropriate.

The training that we provide includes:

1. Orientation training for new employees to educate them on company policies and basic skills and knowledge as would be relevant to their respective job functions.

2. Technical skills training is conducted on an ongoing basis for our technical staff with the relevant technical skills and knowledge necessary for their respective job functions. For example, quality assurance staff will receive training on the implementation of our ISO9001:2000 quality management system.

3. Resources management training for our management staff focusing on human resources management, time management, work management and organisation management. We sponsor our employees for such external specialised courses. For example, our department heads and senior managers attended the Management & Leadership Academy which was held once a month for six (6) sessions during the period from June 2008 to February 2009 and the Operational Excellence Program which will be conducted by external consultants over the course of six (6) months commencing March 2009 and ending August 2009, conducted by external consultants.

4. Occupational safety training to educate our production staff on occupational safety at our production facilities and to train them on safety precautions which they are expected to adopt in the course of their work. This includes knowledge about handling machinery and emergency situations such as the occurrence of accidents or fires or other situations which may require medical attention. Our management team conducts regular workshops for line supervisors in such areas. We also sponsor our employees for such external specialised courses.

Our staff has typically undergone at least 10 hours of training per annum. Our staff training expenditure for FY2006, FY2007 and FY2008 has not been material.

INSURANCE

We maintain insurance for our full-time employees in the PRC which provides coverage for retirement, work-related accidents, maternity benefits, hospitalisation/medical expenses and travel insurance.

As at the Latest Practicable Date, the following insurance policies have been taken out by the Group:

(a) plant and machinery;

(b) inventory;

(c) consequential loss;

(d) public liability;

(e) goods in transit;

(f) burglary;

(g) fire insurance; and

(h) all risk.

All the above policies are in existence and the premiums have been paid thereon. The total insurance expense incurred in FY2008 was approximately S$127,000. These insurance policies are reviewed annually to ensure that the coverage is adequate.

Our Directors believe that the coverage from these insurance policies is adequate for our Group's present operations.

PERMITS, APPROVALS, CERTIFICATIONS AND GOVERNMENT REGULATIONS

The following are the main licenses, permits, approvals and certifications that we hold for the purposes of business operations of our Group:

Licenses, permits, approvals and certificates	Administrative body	Licencee	Expiry Date
Business Premises and Advertisement License for the factory at No. 11, Jalan Gemilang 3, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor.	Johor Bahru Tengah Municipal Council (Majlis Perbandaran Johor Bahru Tengah) ("**JBTMC**")	Jubilee	31 December 2009
Business Premises and Advertisement License for the factory at No. 10, Jalan Istimewa 7, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor	JBTMC	Jubilee	31 December 2009
Fire certificate for the factory at No. 10, Jalan Istimewa 7, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor	Fire and Rescue Department, Malaysia (Jabatan Bomba dan Penyelamat Malaysia)	Jubilee	21 January 2010
Approval Letter approving the installation of the machinery, in respect of factory at No. 11, Jalan Gemilang 3, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor	Department of Occupational Safety and Health of Johor, Ministry of Human Resources (Jabatan Keselamatan dan Kesihatan Pekerjaan Johor, Kementerian Sumber Manusia)	Jubilee	n.a

Licenses, permits, approvals and certificates	Administrative body	Licencee	Expiry Date
Approval Letter approving the installation of the machinery, in respect of factory at No. 10, Jalan Istimewa 7, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor	Department of Occupational Safety and Health of Johor, Ministry of Human Resources (Jabatan Keselamatan dan Kesihatan Pekerjaan Johor, Kementerian Sumber Manusia)	Jubilee	n.a
Environmental approvals with respect to the manufacture of precision moulds, non-metal products moulds (关于制造精密模具、非金属产品模具的环保批复)	Kunshan Environmental Protection Bureau (昆山市环境保护局)	EMold Kunshan	n.a
Certificate of Filing and Registration for an Enterprise to Apply for an Inspection by Itself (自理报检单位备案登记证明书)	Kunshan Entry-Exit Inspection and Quarantine Bureau (昆山出入境检验检疫局)	EMold Kunshan	n.a
Customs Certificate (关税证书)	PRC Customs of Kunshan (中华人民共和国昆山海关)	EMold Kunshan	15 April 2011
State/Local Tax Certificate (国税/地税证书)	State Tax Bureau of Kunshan (昆山市国家税务局) and Local Tax Bureau of Kunshan (昆山市地方税务局)	EMold Kunshan	n.a
Foreign Exchange Certificate (外汇证书)	Kunshan Branch of State Administration of Foreign Exchange (国家外汇管理局昆山分局)	EMold Kunshan	n.a
Confirmation Letters on Foreign -funded Projects Encouraged by the State (国家鼓励发展的外资项目确认书)	Department of Foreign Trade & Economic Cooperation, Jiangsu Province Government, PRC (江苏省对外贸易合作厅)	EMold Kunshan	n.a
Fire Prevention Inspection Reports on Constructions (建筑工程消防验收意见书)	Kunshan City Public Security Fire Bureau (昆山市公安消防大队)	EMold Kunshan	n.a
Certificate of Registration of a Factory for the manufacture of precision moulds, tool and dies, and plastic injection parts for No. 2 Woodlands Sector 1 #01-33 and #01-35 Singapore 738068	Ministry of Manpower, Singapore	Jin Li Mould	31 October 2009
Electrical Installation Licence for No. 2 Woodlands Sector 1 #01-33 and #01-35 Singapore 738068	Energy Market Authority, Singapore	Jin Li Mould	3 May 2010
Electrical Installation Licence for No. 203 Woodlands Ave 9 #01-52 Woodlands Spectrum 2 Singapore 738956	Energy Market Authority, Singapore	Jin Li Mould	15 December 2009

Save as disclosed above and in the Appendix D entitled “Description of Relevant Laws and Regulations”, as at the Latest Practicable Date, our business operations in Singapore, Malaysia and the PRC are not subject to any special legislations or regulatory controls other than those generally applicable to companies and businesses incorporated and/or operating in Singapore, Malaysia and the PRC. We have thus far not experienced any adverse effect on our business in complying with these regulations.

To the best of our Directors' knowledge, we have obtained all requisite approvals and are in compliance with all laws and regulations that would materially affect our business operations and we have not contravened any relevant laws and regulations.

COMPETITION

We believe that the primary elements of competition for our business are quality, pricing, brand name, timely delivery and customer service.

Our Directors believe that the primary barriers to entry for our business include the significant capital investment in large-scale production facilities which would prove difficult for new entrants without established track records.

To the best of our knowledge and belief, our main competitors in our industry are as follows:

Competitor	Competing Activities
Fischer Tech Ltd	Mould design and fabrication, precision plastic injection moulding and secondary processes
Fu Yu Corporation	Mould design and fabrication, precision plastic injection moulding, spray painting and assembly
Hi-P Group	Mould design and fabrication, precision plastic injection moulding, secondary processes, assembly, precision metal stamping and surface coating
Watson Plastics Industries Pte. Ltd.	Mould design and fabrication, precision plastic injection moulding and secondary processes

None of our Directors, Key Executives or Substantial Shareholders has any interest, direct or indirect, in any of our above competitors.

COMPETITIVE STRENGTHS

We are a provider of MDF products and PPIM services and are able to manufacture customised precision plastic products to meet our customers' specifications and requirements. We assist our customers in their product design, selection and sourcing of raw materials, development, conceptualisation and commercial scale production of precision plastic products.

Our Directors believe that our competitive strengths are as follows:

(a) Experienced and committed management team

Our Group's current management team has built a strong track record in the plastic injection moulding industry. This is evidenced by the rapid growth in our Group's revenue, profits and scale of operations since its incorporation. Our Group received the Top 50 Fastest Growing SME for three (3) years consecutive since 2005 bears testimony to that.

Our professional management team is led by our Executive Chairman, Chua Kim Guan. Mr. Chua is a veteran in the plastic moulding business and has accumulated more than 25 years of technical and management experience in this industry.

The experience of our executive Directors is further augmented by a team of experienced and dedicated project engineers. Our management team has an average of 15 years of experience in the plastic injection mould industry and possesses extensive knowledge about the workings and processes of companies in this field.

(b) High standard of services

Our Group believes that delivering high standard of services is a basic requirement of our business. We maintain a system of stringent quality control and assurance measures to ensure that we provide our customers with high quality products and services. We believe that our sustained business from existing customers and our continually expanding customer base are testaments of the customers' confidence in the quality of our products and services.

The efficiency of our Group's manufacturing operations and a high standard of product quality is also evidenced by the awarding of the widely recognised ISO9001:2000 certification to EMold Kunshan and Jin Li Mould in year 2005.

To the best of our Directors' knowledge, Apple imposes very high and stringent quality requirements on their suppliers. We have been co-operating with Apple since 2001. Through our established relationship with Apple, we have been invited to participate in the early design stage of their products which, our Directors consider, bears testament to our high quality standards and strong mould design capabilities.

(c) Strong and close relationship with our customers

Our Group aims to understand customers' requirements through constant interaction and fostering of close relationships with them as well as active participation in their product development activities at an early stage. This enables us to meet the customers' design and specific requirements through our feedback and value-added inputs or suggestions so that they can improve their product.

Through early involvement in product development phase, our Group's capacity needs can be planned in advance and necessary arrangements can be made to reduce the manufacturing lead time of our customers. Early involvement further benefits our customers by ensuring that their product specifications are feasible and their end design can be manufactured, thereby increasing the value of their tooling investments. This has enabled us to forge strong relationships with our customers.

Our Group has a reputable base of customers which includes major manufacturers of computer peripherals and consumer electronics in Singapore and the PRC, such as Apple, and Hewlett Packard. We believe in establishing and nurturing strong business relationships with our customers to earn their sustained support in terms of sales demand.

Our technical team also possesses the requisite expertise, know-how and experience as to be able to provide feedback to our customers on the design of their products at an early stage to improve the DFM of our customers' products.

We believe that we have earned the trust and satisfaction of our customers due to our high quality products and excellent after-sales services. Our Directors are of the opinion that our reliability in providing quality products and services at competitive prices on a timely basis will strengthen our relationship with our existing customers and will aid in the building of new relationships with prospective customers.

(d) Broad and comprehensive range of PPIM services in low cost facilities in Malaysia and the PRC

Our Group undertakes and offers our customers a broad and comprehensive range of manufacturing services comprising mainly mould design and fabrication, sub-assembly, and various types of precision plastic injection moulding, such as conventional, double-shot, insert moulding and gas assisted moulding. In addition, we offer our customers a wide range of ancillary value-added services comprising mainly silk screen printing, tampo printing, ultrasonic welding, laser etching and mechanical sub-assembly.

Hence, our Group's processes are vertically integrated in most of our products and service offerings so that our customers need only to communicate their manufacturing needs to us, thereby ensuring a shorter planning period and providing the luxury of a one-stop service.

Logistic concerns of using multiple suppliers/manufacturing service providers are reduced and customers can redeploy their resources to other areas, such as product development and marketing. Our customers can enjoy the potential advantages of shorter production turnaround time, incur lower manufacturing costs and be able to market their goods well ahead of their competitors. Our wide range of manufacturing capabilities has also enabled us to have better control of the quality of our products and services.

PROSPECTS

Our performance is driven primarily by corresponding growth in the industries that we predominantly serve, namely the consumer electronics, computer peripherals, automotive and domestic electrical appliances.

The stress in the financial market of the United States that first emerged in July 2007, turned into a global financial crisis in September 2008 when global credit markets and stock markets became affected and remains volatile; and the global economies were plunged into, and their outlook continues to be shrouded, in uncertainty. A prolonged economic downturn or further deterioration of global economies will depress consumer spending and lower demand for products across all industries including those of our customers whom we serve. To the extent that such decreased demand dampens manufacturing output of our customers - in particular of our major customer Apple on whom we are reliant - customer demands for our services will be correspondingly reduced. Such economic downturn may also exert a downward pressure on the selling prices of our products as customers seek cost reductions in their product manufacture, which may also result in further erosion of our profit margins that we have begun to experience in FY2008.

Notwithstanding, our Directors believe that the long term prospects of our Group remain promising having regard to the following:

Growth in tandem with Apple

Our major customer Apple is a manufacturer of computer peripherals, such as Apple's Mac range of personal computers, as well as of consumer electronic products which include the popular iPod and iPhone product range. Despite the global financial crisis and overall decrease in consumer demand, sale of Apple products have remained strong.

On 22 April 2009, Apple posted its best ever second quarter revenue of US$8.16 billion and record net quarterly profit of US$1.21 billion for FY2009, up from its second quarter revenue of US$7.51 billion and net quarterly profit of US$1.05 billion a year ago(1). Apple sold 3.8 million iPhones in the quarter, more than twice as many as a year ago, despite the economic downturn. The company also sold more than 11 million iPods, up 3.0% on a year ago(2).

However, the downturn did lead to fewer sales of Mac computers in the quarter, with sales falling 3.0% to 2.2 million Macs(3).

The overall prospects of the consumer electronics industry remain strong in the mid to long term despite the current downtrend in the global economy, and the global consumer electronics market is forecasted to have a value of US$260.7 billion by 2012, an increase of 30.6% compared with 2007 figures(4).

With Apple being the only participant in the global computer peripherals and consumer electronics industries that controls the design and development of the entire product, i.e. hardware, operating system, applications, design and development(5), our Directors believe that Apple is uniquely positioned to maintain a strong loyal base of customers, while continuing to increase market share through offering superior and well-integrated digital lifestyle products and solutions.

As we are heavily involved in production for components of the iPod and iPhone range of products and for the Macintosh range of personal computers, our Directors have reason for cautious optimism for our continued growth as Apple sales appear to continue to be strong despite the global economic slowdown. Our Directors expect our performance to be in tandem with the global demand for Apple products.

Opportunities in the automotive and the medical devices sectors

Last year, 2008 was particularly challenging for the automotive industry. The first few months of 2009 had also been tough as industry players continued to battle against turmoil in the financial markets and falling demand. According to figures from the UK Society of Motor Manufacturers and Traders, the market is expected to decline by one-fifth in 2009[6].

With the poor economic outlook in Europe, our Directors expect to see more outsourced projects from European automotive manufacturers as they seek lower cost of production in Asia. As such, our Directors believe that continued growth in the long run is likely, driven by continued outsourcing from Europe as well as demand from Asia given the overall rising income levels and infrastructure development particularly in India, China and ASEAN countries.

Our Group is well positioned to grow as our Group possesses strong technical expertise and reputation for high quality plastics. Coupled with our expanded and new PRC (Kunshan) and Malaysia (Johor Bahru) facilities, we are able to offer a competitive price in the face of competition. Our proven track record in specialised automotive headlamp moulds manufacturing in the last few years creates a niche for us and sets us apart from other companies in the industry.

Our Directors have also identified the medical devices industry as a new market for expansion. The medical devices industry is fast growing and estimated to be in excess of US$300 billion[7] that offers both strong growth potential as well as relatively higher margins. Medical devices typically demand quality finishing and have product life cycles that are typically longer than that of products for other industries such as the computer peripherals and consumer electronics industries. Extended product life cycle is preferable from the perspective of manufacturers like our Group as we would be able to derive stable revenue from our participation in the productions of such products over the course of the extended life cycle.

Note(s):

(1) Source: Apple Inc, 23 April 2009. http://www.apple.com/pr/library/2009/04/22results.html

(2) Source: Business Times UK 23 Apr 2009, http://business.timesonline.co.uk/tol/business/industry_sectors/technology/article6151417.ece

(3) Source: Business Times UK 23 Apr 2009, http://business.timesonline.co.uk/tol/business/industry_sectors/technology/article6151417.ece

(4) Source: "The Consumer Electronics Industry in the Economic Downturn", Business Wire, New York: Jan 28, 2009.

(5) Source: Form 10-Q filing dated 23 January 2009 with the Securities and Exchange Commission of the United States of America

(6) Source: Employee Benefits Magazine, London, Mar 2009, pg 48, "MARKET TRENDS: Car manufacturers" by Nicola Sullivan. Source type: Periodical, ISSN: 13668722, http://proquest.umi.com.libproxy.nlb.gov.sg/pqdweb?did=1654203251&sid=8&Fmt=3&clientId=13402&RQT=309&VName=PQD

(7) Source: MX: Business Strategies for Medical Technology Executives - May/June 2008 edition

(8) Each of the persons whose websites and/or articles are set out in footnotes (1) to (7) above and containing information (the "relevant information") upon which certain statement(s) (the "relevant statement(s)) in this section entitled "Prospects" of this Offer Document are based, has not consented to the inclusion of the relevant information and is therefore not liable for the relevant statement(s) under sections 253 and 254 of the Securities and Futures Act.

(9) While we have taken reasonable action to ensure that the relevant statement(s) have reproduced the relevant information in its proper form and context, we have not verified the accuracy of the relevant information.

Trend information and Order Book

Our Directors observed the following trends for FY2009:

(a) We expect our revenue to remain relatively stable in line with the continued consumer demand of the products of our major customer, Apple. However, our Directors anticipate that our selling prices will decline due to increased competition caused by the economic downturn. This may result in lower gross profit margins as compared to previous years.

(b) In relation to the costs of our raw materials, which are mainly steel and plastic resins, we anticipate the fluctuations in prices of these commodities to affect our purchasing costs. We expect the prices of these commodities to be relatively stable in the current financial year. Nonetheless, we typically mitigate our exposure to potential price increases of raw materials by obtaining quotations from our suppliers for our raw materials at the time when we quote to our customers for our projects.

(c) We expect our operating expenses to increase in the current financial year, due mainly to the (i) increase in salaries and related costs of hiring additional workers for our new facilities in the PRC and Malaysia and recruitment of additional office and management staff to support expansion in Malaysia production and the PRC, and (ii) other additional compliance costs as a listed company.

As at the Latest Practicable Date, our order book stands at approximately S$7.7 million, comprising approximately S$4.6 million and S$3.1 million for our MDF and PPIM businesses respectively. Our order book generally comprises plastic parts to be manufactured and moulds still under construction. Although these are based on purchase orders from our customers, they may be subjected to deferrals or cancellations at any stage. The order quantities may also be adjusted during the production schedule. In addition, MDF purchase orders are placed based on a project basis. Hence, our order book as to any particular date may not be indicative of our revenue for any succeeding period due to the possibility of variation of order quantities, pricing and cancellation of orders by our customers, giving rise to uncertainty in production volumes. We do not generally impose penalties on our customers for varying quantities or cancellation of orders.

We generally do not enter into long term sales contract with our customers and price quotations for individual products are provided upon customer's enquiry. We generally do not maintain significant levels of inventory for raw materials used in production. Raw materials used in the production of specific product orders are generally ordered upon the finalisation of customer sales contract or purchase order. For PPIM products, typically the lead time provided by our customers is approximately 90 days for provision of raw materials' forecast and approximately 30 days for placement of orders. For MDF products, typically the lead time provided by our customers is between 20 to 120 days for placement of firm orders, depending on the size and complexity of the mould.

Save as disclosed in this section entitled "Prospects, Business Strategies and Future Plans" and in the section entitled "Risk Factors" of this Offer Document, and barring any unforeseen circumstances, our Directors are not aware of any known recent trends in sales, production, inventory, costs and selling prices of our products or other trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net sales or revenues, profitability, liquidity or capital resources, or that would cause our financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial position.

BUSINESS STRATEGIES AND FUTURE PLANS

Our strategies and future plans for the continued growth of our business are as follows:

Increase of our Production Capacity

We intend to increase our production capacity by acquiring 25 PPIM machines for our Malaysia Plant and PRC Plant ("**Expansion**").

We are expected to commence on the Expansion after the listing of our Company on the Catalist. The Expansion shall take place progressively over 2010 and 2011 and is expected to be completed by end 2011. With the Expansion:

(a) the production capacity in our Malaysia Plant and Singapore Plant is expected to increase by approximately 15.9%;

(b) the production capacity in our PRC Plant is expected to increase by approximately 14.7%; and

(c) the production capacity of our Group is expected to increase by approximately 15.2%.

We have earmarked approximately S$1.5 million from our Placement proceeds for the Expansion.

Expansion of our customer base in the existing business segments and development of new business segments

At present, our Group has customers in the following business segments: consumer electronics, automotive, computer peripherals and household appliances. Our Group's major customer, Apple, accounted for more than 80% of our Group's revenue for FY2008. Over-reliance on Apple entails certain risk since our operations are dependent on their demands for our products and services.

To reduce our reliance on Apple and also in further expansion of our business, we plan the following:

(a) Expansion of our customer base in the automotive industry in particular in Europe to capture the opportunities that would arise from the increasing outsourcing of manufacture to lower-cost Asia through increased marketing efforts focused on Europe.

(b) Expansion of our business outreach into the medical devices industry where we plan to supply MDF products and PPIM services for the production of plastic parts for medical diagnostic devices, as well as medical precision laboratory equipment. In this regard, our Directors plan to leverage on our experience and expertise in producing moulds with high quality finishings as well as our Group's production infrastructure in particular, our Group's existing dust-controlled facilities in our PRC Plant, to market our services to customers in the medical devices industry.

(c) Actively market our double shot injection moulding services and capabilities to new and existing customers in the industries that we currently serve as our Directors have identified there to be increasing demand for double shot injection moulding in the manufacture of products across these industries.

Transformation of our Singapore Plant into a technical support hub and manufacturing centre for niche products

Our Group aims to reduce the amount of labour intensive processes in Singapore and shift them to our factories in lower-cost countries, such as the PRC and Malaysia. Our Group plans to transform our Singapore Plant into a technical support hub which focuses on manufacturing for the niche products markets, which will involve superior finishing and higher cosmetic requirements. In doing so, we foresee a decline in our cost of operations, allowing for a bigger profit margin and more competitive prices that we can offer to our customers. The Singapore Plant would also focus on building up technical expertise and act as a control centre for the Group's operations to allow for a more efficient and effective management system.

In Singapore, our Group also aims to build focused task teams to share their expertise and knowledge within our Group, so that competencies in the areas of 1) mould and product design, 2) process optimisation, 3) testing and evaluation, 4) new technology evaluation and 5) prototyping of new products, would be further strengthened, allowing us to offer better services to our customers.

The Group has plans to collaborate with polytechnics and research institutions for research and development in various areas including product performance, precision tolerance control, niche product development, micro-moulding for small parts and thin wall objects. Our Group also has intentions to develop a product design laboratory which when combined with mechanical, electronic, electric and packaging engineering talents that our Group recruits, would provide a superior one-stop manufacturing solution for our customers.

Leveraging on the geographical advantages and labour costs in low cost manufacturing sites

Our Group has plans to designate our manufacturing base in Kunshan, PRC as flagship factory which will also serve as a model for other factories in the PRC. Our PRC Plant would also put us in close proximity with Apple and would enable us to more efficiently support their operations.

We are also in the process of relocating a large part of operations from our Singapore Plant to the Malaysia Plant, as Malaysia has relatively lower labour and operation costs as compared to Singapore. Our Group aims to leverage on the benefits of investing in a low-cost country by transferring or referring labour intensive productions over to our Malaysia Plant and designating it as a supporting manufacturing factory.

Our Singapore Plant will be restructured into a design and technical centre with a focus on complex moulds and designs. For further details please see preceding paragraph.

Expand our range of services so as to be an integrated service provider

We believe that in order to keep up with the rapid changes in market trends and consumer preferences, we need to continually improve the quality and variety of our services. To achieve this, we intend to continually enhance our manufacturing and design capabilities. We will also continue to place emphasis on attracting and retaining skilled professionals. We plan to achieve the following objectives:

(a) the continued improvement of the quality of our existing services as well as development of new services; and

(b) the improvement and development of production technology to increase our production efficiency.

Explore opportunities in strategic investments or alliances and acquisitions

In order to diversify our range of services and expand our business, we intend to, subject to commercial viability, enter into strategic investments or alliances and/or acquire businesses in related fields, when opportunities arise. To date, we have not identified any specific investments or acquisition targets. Should such opportunities arise, we will seek approvals, where necessary, from our Shareholders and the relevant authorities as required by the prevailing rules and regulations. We have not allocated any part of our net proceeds from the Placement for expansion through strategic investments or alliances and acquisitions. Should such need arise, we will fund such expansion from internal generated funds and/or future external fund raising activities.

DIRECTORS, KEY EXECUTIVES AND EMPLOYEES

DIRECTORS

The names, addresses and occupations of each of our Directors are set out below:

Name	Age	Residential Address	Country of Principal Residence	Principal Occupation
Chua Kim Guan	43	177 Tanjong Rhu Road #10-23 Singapore 436607	Singapore	Executive Chairman
Ng Boon Leng	43	Block 23 Choa Chu Kang North 6 #06-08 Singapore 689579	Singapore	CEO
Tan Soon Liang	36	Block 262A Compassvale Street #07-115 Singapore 541262	Singapore	Director, Ti Ventures Pte Ltd
Khoo Boo Teck Randolph	45	18 Sundridge Park Road Singapore 358149	Singapore	Advocate & Solicitor
Pao Kiew Tee	59	50 Paya Lebar Crescent Singapore 536121	Singapore	Senior Government Auditor

The business and working experience of our Directors are summarised below:

Mr. Chua Kim Guan is our Executive Chairman and founding shareholder, and was appointed to our Board on 18 March 2009. He has more than 25 years of technical and management experience in the plastic injection moulding industry. He is responsible for the overall future planning, corporate direction of our Group and the management for the Board of Directors of our Company, and has been instrumental in the growth and development of our Group since its founding. He, along with other investors, co-founded our Subsidiary, Jin Li Mould, on 29 July 1993 and assumed the executive directorship of Jin Li Mould since its incorporation. Prior to 1993, Mr. Chua held the post of Tool Supervisor in various mould manufacturing companies such as Jubilee Mould Sdn Bhd and Li Xin Mould Manufacturing Pte Ltd. Mr. Chua's highest education attained is secondary level education.

Mr. Ng Boon Leng is our CEO and Executive Director, and was appointed to our Board on 9 June 2009. He first joined our Group in 2004. He has over 20 years of experience in the plastic components industry, of which over 10 years was in a managerial capacity. He is responsible for developing and implementing marketing strategies and business future plans and prospects and oversees our Group's business and marketing operations. In addition, Mr. Ng is active in building up our Group's reputation and fostering close relationships with the contract manufacturers and OEMs in the PRC market. Prior to joining us, he had over 14 years of managerial and operational experience in the plastic and metal components industry with Emerson Process Management, Apple Computer, Inc, Natsteel Electronics Ltd, and Hewlett Packard (S) Pte Ltd. Mr. Ng holds a Bachelor of Business in Transport & Logistic Management Degree from the Royal Melbourne Institute of Technology, Australia, as well as a Graduate Diploma in Business Administration from the Singapore Institute of Management.

Mr. Tan Soon Liang is our Non-Executive Director and was appointed to our Board on 9 June 2009. Mr. Tan has more than 10 years of experience in the banking and finance industry, particularly in the field of corporate finance, strategy consulting and execution. He is currently director of Ti Ventures Pte Ltd which provides corporate development and business advisory services to growing companies in Asia. Prior to this role, he was Head of Business Advisory with BDO Raffles Advisory Pte Ltd since April 2006 and responsible for origination and execution of pre-IPO, mergers and acquisition and growth advisory mandates. He was also an Associate Director of Sirius Venture Consulting Pte Ltd where he was involved in private equity investments and strategy consulting for small and medium enterprises. He has full experience in deal origination, evaluation, due diligence, structuring, execution and project management of IPO and fund raising projects in Asia. He was also Director of Sirius Management Services and Pyxis Communications & Consultancy Pte Ltd. From 1997 to 2002, he worked in JP Morgan & Co Inc, as an analyst, in DBS Bank Group as a Deputy Manager in the Equity Capital Markets Department before founding T2 Global Pte Ltd and joining AIA Company Ltd as a financial consultant to provide financial advisory to high net worth individuals and business owners. Mr. Tan graduated from Nanyang Technological University with a Bachelor of Business (Honours) Degree majoring in Financial Analysis in 1997 and subsequently, in 2000, obtained a Master of Business Administration Degree from the University of Hull, United Kingdom. Mr. Tan is also a CFA charterholder and member of CFA Institute.

Mr. Khoo Boo Teck Randolph is an Independent Director of our Company and was appointed to our Board on 9 June 2009. He is currently a director of Drew & Napier LLC, a corporation of advocates and solicitors, and co-heads its China Dispute Resolution Practice Group. Mr. Khoo graduated with a degree in law from the National University of Singapore in 1989 and commenced his legal career with Drew & Napier. He is an advocate and solicitor of the Supreme Court of Singapore, a Notary Public and a Commissioner for Oaths. He is a Fellow of the Singapore Institute of Arbitrators and the Chartered Institute of Arbitrators as well as a member of the International Bar Association, Society of International Law (Singapore), Law Society of Singapore and the Singapore Academy of Law. He served on the Advocacy Committee of the Law Society of Singapore. From 1995 to 2001, he was also an Ad-hoc Adjunct Tutor for the Faculty of Law, National University of Singapore.

Mr. Pao Kiew Tee is an Independent Director of our Company and was appointed to our Board on 9 June 2009. Mr. Pao is a Senior Government Auditor currently holding the position of Group Audit Director, where he is responsible for leading teams in the audit of financial statements and operation audits of statutory boards and Government-linked companies. Since 1979, Mr. Pao has been a Government Auditor, first as an Audit Senior for the Singapore Government and rose through the ranks to become Assistant Director, Director and currently Group Audit Director. Prior to joining the Singapore Government, Mr. Pao was with an accounting firm in New Zealand between 1977 and 1978. From graduation in 1974 to 1977, Mr. Pao worked for the Commercial Bank of Australia in New Zealand. Mr. Pao holds a Bachelor of Commerce (Accounting) degree granted by University of Otago, Dunedin, New Zealand in 1974 and a Diploma in Banking granted by New Zealand Institute of Banks in 1977. Mr. Pao is a Chartered Secretary and Administrator of United Kingdom and a fellow of the Institute of Certified Public Accountants of Singapore. Mr. Pao is also currently an Independent Director of Communication Design International Limited and the Honorary Treasurer of the Serangoon Gardens Country Club.

The list of present and past directorships of each Director over the last five (5) years preceding the date of this Offer Document, excluding those held in our Company, is set out below:

Name	Present Directorships	Past Directorships
Chua Kim Guan	**Group Companies**	**Group Companies**
	Jin Li Mould EMold Holding EMold Kunshan Jubilee EMold Plastics	–
	Other Companies	**Other Companies**
	Jin Li Precision Engineering Pte Ltd	Jin Li Plastics Pte Ltd Infinite Mould Manufacturing Pte. Ltd. Crescendo Club Pte. Ltd.
Ng Boon Leng	**Group Companies**	**Group Companies**
	–	–
	Other Companies	**Other Companies**
	Infinite Mould Manufacturing Pte. Ltd	–

Name	Present Directorships	Past Directorships
Tan Soon Liang	**Group Companies** – **Other Companies** Ti Ventures Pte Ltd	**Group Companies** – **Other Companies** Sirius Management Services Pte. Ltd. Pyxis Communications & Consultancy Pte. Ltd. T2 Global Pte. Ltd.[1]
Khoo Boo Teck Randolph	**Group Companies** – **Other Companies** Drew & Napier LLC Luminotion Holdings Ltd	**Group Companies** – **Other Companies** Freshfields Drew & Napier Pte Ltd (now known as Freshfields Bruckhaus Deringer Pte. Ltd.)
Pao Kiew Tee	**Group Companies** – **Other Companies** Communication Design International Limited	**Group Companies** – **Other Companies** –

Note:

(1) T2 Global Pte. Ltd. has since been struck off.

KEY EXECUTIVES

The names, addresses and occupations of each of of our Key Executives are set out below:

Name	Age	Principal Residential Address	Country of Principal Residence	Occupation
Choi Swee Weng	53	Block 109, Bukit Purmei Road, #09-137 Singapore 090109	Singapore	Chief Financial Officer
Ng Wee Tong	43	Block 420, Woodlands Street 41 #11-199 Singapore 730420	Singapore	Singapore and Malaysia Operations Director
Yeo Bee Choon	50	Block 408, Woodlands Street 41 #06-01 Singapore 730408	Singapore	Business Development Director
Chee Kum Wah Daniel	54	Block 175, 1-3003 Butterfly Bay No.188 Chang Jiang Nan Lu Kunshan City, PRC	PRC	PRC Operations Director

The business and working experience of our Key Executives are set out below:

Mr. Choi Swee Weng joined us as our Group's Chief Financial Officer since July 2007. His responsibilities include the full spectrum of the finance and accounting functions as well as budgeting, forecasting, managing the regional cash flow and treasury function, taxation matters and ensuring compliance of statutory audit requirements for the Group. In addition, Mr. Choi is also responsible for corporate development initiatives in relation to mergers and acquisitions, joint ventures and strategic alliances. Mr. Choi has more than 15 years of valuable experience in managing corporate groupings of listed companies and MNCs. Prior to joining our Group, he was the Vice-President of Finance & Operations of Hotel Information Systems Asia Pte Ltd for 10 years and a Financial Controller for Quest Technology Pte Ltd for two (2) years. Mr. Choi is a Fellow Member of the Association of Chartered Certified Accountants.

Mr. Ng Wee Tong joined us as the Operations Director of EMold Plastics in August 2004 and is currently the Singapore and Malaysia Operations Director of our Company since November 2008 and responsible for managing the day to day operations of the moulding and tool making operations of our Singapore and Malaysia Subsidiaries, namely EMold Plastics, Jin Li Mould and Jubilee. He is also in charge of improving current process flows and effectiveness of project and supply chain management of such Subsidiaries. Prior to joining us, Mr. Ng joined Omni Industries Limited from 1995 as a Project Engineer and left in 2003 as a Manufacturing Manager where he was responsible for managing a plant in Malaysia. Prior to joining Omni Industries Limited he was a Product and Tool Designer in Metro Plastics Industry Pte. Ltd. from 1990 to 1995. Mr. Ng holds a Diploma in Production Engineering (Tool and Mould Design) granted by the German Singapore Institute.

Mr. Yeo Bee Choon joined us as the Business Development Director in November 2007. Mr. Yeo is responsible for business and customer development, the development and implementation of sales strategies to ensure fulfilment of our Group's sales targets and the management of the sales department. Prior to joining us, Mr. Yeo was with the Meiban Group as its sales accounting director where he was responsible for securing new projects and ensuring the fulfilment of sales targets. Mr. Yeo worked for First Engineering Ltd for about eight (8) years as its Corporate Account Manager, where he was responsible for their global sales from Singapore, Malaysia and the PRC. Prior to joining First Engineering Ltd, Mr. Yeo worked in the plastic and fabrication industry from 1982 to 1999 in companies such as Philips Singapore Pte Ltd, Micromech Pte Ltd, Olivetti(S) Pte Ltd, Allied Micro Component Pte Ltd and Hewlett Packard Company.

Mr. Chee Kum Wah Daniel joined us as the Operations Director of EMold Kunshan in March 2006. Mr. Chee is responsible for managing the moulding and tool making operations and the cost effectiveness of tooling, moulding and assembly processes of our productions in the PRC. He further takes charge of improving current process flows and effectiveness of project and supply chain management. Prior to joining us, Mr. Chee had worked six (6) years in Omni Industries Limited as an Operations Manager, supervising the day to day operations, sales and tool management. He was also responsible for the strategic relocation of the entire mould making operations of Omni Industries Limited from Singapore in Shanghai, the PRC. Mr. Chee also had experience as an Operations and Corporate Project Manager in Lixin Mould Manufacturing Pte Ltd for five (5) years, where his duties included overseeing, planning, organising and managing of staff to streamline work processes in the company so as to boost productivity.

Each of our Directors has undertaken training in the roles and responsibilities of a director in a listed company.

There are no family relationships between any of our Directors and/or Key Executives, or between any of our Directors, Key Executives and Substantial Shareholders.

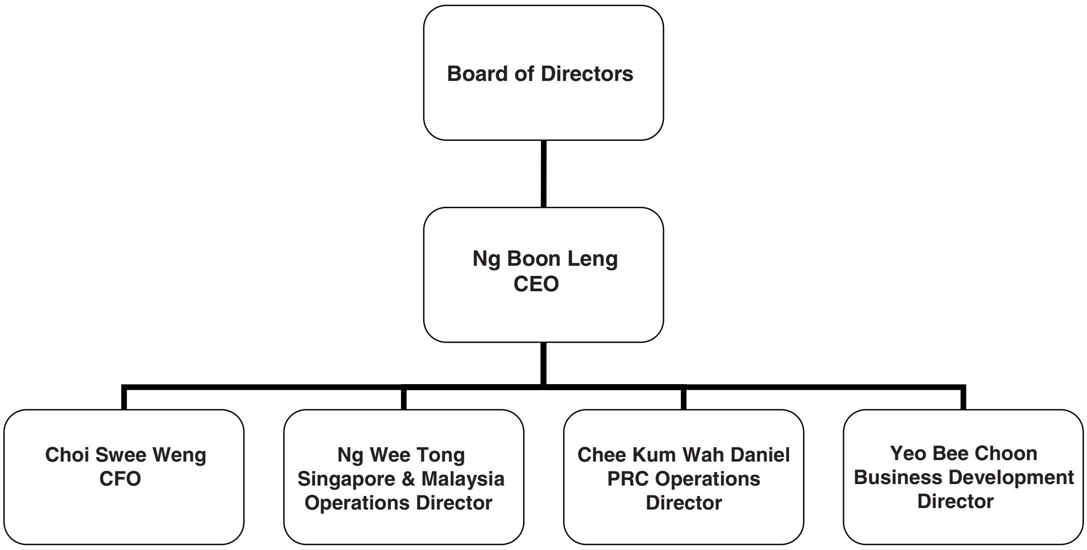
There is no arrangement or understanding with any of our Substantial Shareholders, customers, suppliers or any other person, pursuant to which any of our Directors or Key Executives was selected as our Director or Key Executive.

The list of present and past directorships of each Key Executive over the last five (5) years preceding the date of this Offer Document, excluding those held in our Company , is set out below:

Name	Present Directorships	Past Directorships
Choi Swee Weng	**Group Companies**	**Group Companies**
	–	–
	Other Companies	**Other Companies**
	–	Hotel Information Systems Asia Pte Ltd Hospitality Services & Solutions Pte Ltd Marlin Business Systems Pte Ltd Visual One Systems Asia Pte Ltd Harvestech Pte Ltd Hotel Information Systems (M) Sdn Bhd Boss Solutions Limited Shanghai Boss Computer Software Co., Ltd
Ng Wee Tong	**Group Companies**	**Group Companies**
	–	EMold Plastics
	Other Companies	**Other Companies**
	–	–
Yeo Bee Choon	**Group Companies**	**Group Companies**
	–	–
	Other Companies	**Other Companies**
	–	–
Chee Kum Wah Daniel	**Group Companies**	**Group Companies**
	–	–
	Other Companies	**Other Companies**
	–	–

MANAGEMENT REPORTING STRUCTURE

Our management reporting structure is as follows:



SERVICE AGREEMENTS

On 10 June 2009, our Company entered into separate service agreements (the "**Service Agreements**") with each of our Executive Directors, namely, Messrs Chua Kim Guan and Ng Boon Leng, for an initial period of two (2) years (the "**Initial Term**") respectively, commencing with effect from the date of our listing on the SGX-ST, subject to automatic renewal for two (2) year term on the same terms and conditions upon the expiry thereof. During the Initial Term, the parties may terminate the respective service agreement by either party giving not less than six (6) months' notice in writing to the other. We may also terminate the Service Agreements by notice upon the occurrence of certain events such as serious misconduct, bankruptcy or criminal conviction.

Pursuant to the terms of the respective Service Agreements, each of Chua Kim Guan and Ng Boon Leng will receive an annual salary of S$435,000 and S$240,000 respectively.

Our Group will also provide each of our Executive Directors with the use of a motor vehicle (with operating expenses being borne by our Group) and will extend to each of them insurance, medical and dental benefits in line with our Group's prevailing policy. All entertainment expenses, and travelling, hotel and other out-of-pocket expenses incurred by our Executive Directors in connection with our Group's business will also be borne by our Group.

Apart from the above, the Executive Directors will each be entitled to receive an annual incentive bonus (the "**Incentive Bonus**") of a sum calculated based on the audited PBIT of our Group. If their respective employment with our Company is for less than a full financial year, the Incentive Bonus for that financial year shall be apportioned in respect of the actual number of days of their respective employment on the basis of a 365-day financial year. "PBIT" for the purposes of computing the Incentive Bonus in respect of any FY means the consolidated audited profit before income tax of our Group (before the Incentive Bonus, non-recurring other gains and losses and minority interests) for that FY.

The respective entitlements of the Executive Directors to the Incentive Bonus are set out below:

PBIT	Incentive Bonus
PBIT < S$ 6.5 million	Nil
S$6.5 million < PBIT < S$ 8.0 million	2.5% of PBIT
PBIT > S$8.0 million	2.5% for the first S$8.0 million of PBIT, and 3.5% of PBIT in excess of S$8.0 million

Had the Service Agreements been in existence for FY2008, the aggregate remuneration (including contributions, bonus, and benefits-in-kind) paid to the Executive Directors would have been approximately S$675,000 instead of approximately S$528,550 and the profit before income tax of our Group would have been approximately S$5.3 million instead of approximately S$5.5 million.

Save as disclosed above, there are no existing or proposed service agreement entered into or to be entered into by our Directors with our Group which provide for benefits upon termination of employment.

Our Group has also previously entered into various letters of employment with all our Key Executives. Such letters typically provide for the salary payable to our Key Executives, their working hours, medical benefits, grounds of termination and certain restrictive covenants.

DIRECTORS' AND KEY EXECUTIVES' REMUNERATION

The compensation paid to our Directors and our Key Executives for FY2007 and FY2008, and the estimated compensation to be paid to our Directors and our Key Executives for FY2009 (on an aggregate basis and in remuneration bands[1]) are as follows:

	FY2007	FY2008	Estimated amount for current FY2009[2]
Directors			
Chua Kim Guan	B	B	B
Ng Boon Leng	A	A	A
Tan Soon Liang	–	–	–[3]
Khoo Boo Teck Randolph	–	–	–[3]
Pao Kiew Tee	–	–	–[3]
Key Executives			
Choi Swee Weng	A	A	A
Ng Wee Tong	A	A	A
Yeo Bee Choon	A	A	A
Chee Kum Wah Daniel	A	A	A

Notes:

(1) 'A' means between S$0 and S$249,999.
'B' means between S$250,000 and S$499,999.

(2) For the purpose of this estimation, no account is made for the bonuses or profit sharing that our Executive Directors are entitled under their respective service agreements, the details of which are set out under the section entitled "Service Agreements" of this Offer Document.

(3) This excludes directors' fees to be approved by Shareholders.

EMPLOYEES

The number of our Group's employees as at the end of each of FY2006, FY2007 and FY2008 are as follows:

	FY2006	FY2007	FY2008
Management (inclusive of our Executive Directors)	17	23	29
Finance and administration	34	24	34
Sales and marketing and customer service	8	6	7
Production	564	691	758
Total	**623**	**744**	**828**

The increase in our average number of employees from FY2006 to FY2007 to FY2008 was due to the expansion of our manufacturing plants in the PRC and Malaysia. We do not employ a significant number of temporary employees.

In accordance with the Trade Union Law of the PRC (adopted on April 3, 1992 and amended on Oct. 27, 2001) (the "**Trade Union Law**"), employees in the PRC are entitled to establish trade unions, and PRC enterprises shall assist in providing the trade union funds. The trade unions enjoy the rights conferred by, and undertake the obligations pursuant to, the Trade Union Law. EMold Kunshan and the trade union established by EMold Kunshan's employees entered into a collective bargaining agreement dated 20 June 2005, pursuant to which the employees of EMold Kunshan are covered by the said collective bargaining agreement.

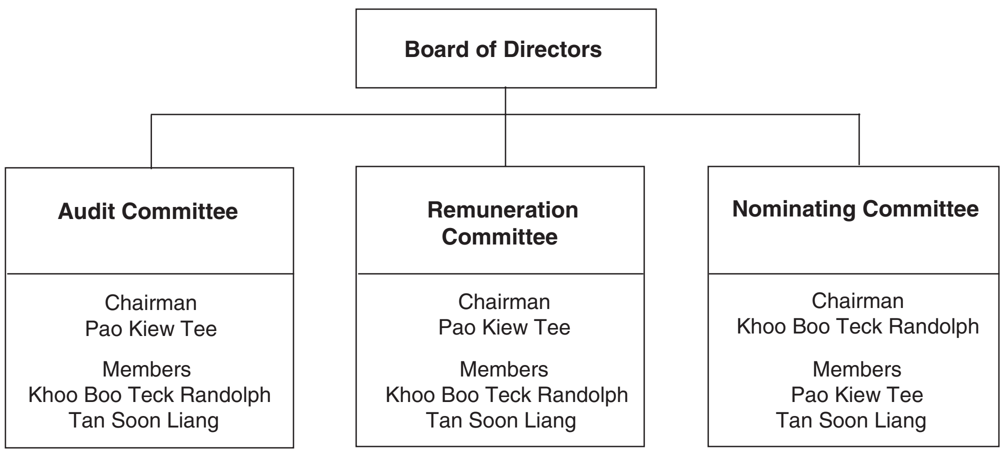
Save as disclosed above, our employees are not covered by any collective bargaining agreements and are not unionised. The relationship and co-operation between the management and staff have been good and are expected to continue and remain as such in the future. There has not been any incidence of work stoppages or labour disputes which affected our operations.

Other than amounts set aside or accrued in respect of mandatory employee funds, we have not set aside or accrued any amount of money to provide for pension, retirement or similar benefits to our employees.

CORPORATE GOVERNANCE

Corporate governance refers to the processes and structures by which the business and affairs of a company are directed and managed, in order to enhance long-term shareholder value through enhancing corporate performance and accountability. Good corporate governance therefore embodies both enterprise (performance) and accountability (conformance).

Recognising the importance of corporate governance and the importance of offering high standards of accountability to our Shareholders, our Company has implemented the corporate governance model as set out below:



Board of Directors

Our Articles of Association provide that our Board will consist of not less than one (1) Director.

We currently have five (5) Directors on our Board, comprising two (2) Executive Directors, one (1) Non-Executive Director and two (2) Independent Directors.

None of our Directors are appointed for any fixed terms. Each Director shall retire from office at least once every three (3) years. Directors who retire are eligible to stand for re-election.

Audit Committee

Our business and operations are presently under the management and close supervision of our Executive Directors who are assisted by our Key Executives.

After our listing on the SGX-ST, our Executive Directors and Key Executives will manage the business and operations of our Group. The Audit Committee will assist our Board of Directors with regards to discharging its responsibility to safeguard our Company's assets, maintain adequate accounting records, and develop and maintain effective systems of internal controls with an overall objective to ensure that our management has created and maintained an effective control environment in our Company, and that our management demonstrates and stimulates the necessary aspect of our Group's internal control structure among all parties.

Our Audit Committee comprises our Independent Directors, Pao Kiew Tee and Khoo Boo Teck Randolph and our Non-Executive Director, Tan Soon Liang. Our Audit Committee will be chaired by Pao Kiew Tee.

Our Audit Committee will meet quarterly to discuss and review the following where applicable:

(a) review the audit plans and reports of our internal and independent auditors;

(b) review of our financial statements before submission to our Board for approval;

(c) review and consider the appointment or re-appointment of our independent auditors and matters relating to resignation or dismissal thereof;

(d) review of interested person transactions and potential conflicts of interest (within the definition of the Listing Manual) involving our Group in accordance with the Listing Manual;

(e) review the effectiveness and adequacy of our internal accounting and financial control procedures;

(f) review our key financial risk areas, with a view to providing an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, where the findings are material, announced immediately via SGXNET; and

(g) generally undertake such other functions and duties as may be required by the Listing Manual.

Our Audit Committee shall also commission an annual internal controls audit until such time as our Audit Committee is satisfied that our Group's internal controls are robust and effective enough to mitigate our Group's internal control weaknesses (if any). Prior to the decommissioning of such an annual audit, our Board is required to report to the SGX-ST and the Sponsor on how the key internal control weaknesses have been rectified, and the basis for the decision to decommission the annual internal controls audit. Thereafter, such audits may be initiated by our Audit Committee as and when it deems fit to satisfy itself that our Group's internal controls remain robust and effective. Upon completion of the internal control audit, appropriate disclosure must be made via SGXNET on any material, price-sensitive internal controls weaknesses and any follow-up actions to be taken by the Board.

Apart from the above functions, our Audit Committee will also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on our Company's operating results or financial position. Each member of our Audit Committee will abstain from voting in respect of matters in which he is interested.

In addition, all future transactions with related parties shall comply with the requirements of the Listing Manual. Our Directors shall also abstain from voting on any contract or arrangement or proposed contract/arrangement in which he has a personal material interest.

Having considered the qualifications and past working experiences of Choi Swee Weng (as described in the "Directors, Key Executives and Employees" section of this Offer Document) our Audit Committee is of the view that Choi Swee Weng is suitable for the position of CFO of our Group.

Remuneration Committee

Our Remuneration Committee comprises our Independent Directors, Pao Kiew Tee and Khoo Boo Teck Randolph and our Non-Executive Director, Tan Soon Liang. Our Remuneration Committee is chaired by Pao Kiew Tee.

Our Remuneration Committee is responsible for the following:

(a) to recommend to our Board a framework of remuneration for Directors and Key Executives, and to determine specific remuneration packages for each Executive Director and any CEO (or executive of equivalent rank), if a CEO is not an Executive Director, such recommendations to be made in consultation with the Chairman of our Board and submitted for endorsement by our entire Board and should cover all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options, benefits-in-kind;

(b) in the case of service contracts, to consider what compensation commitments the Directors' or Key Executives' contracts of service, if any, would entail in the event of early termination with a view to being fair and avoid rewarding poor performance; and

(c) in respect of any long-term incentive schemes (if any) including share schemes as may be implemented, to consider whether directors should be eligible for benefits under such long-term incentive schemes.

Each member of the Remuneration Committee shall abstain from voting on any resolution in respect of his remuneration package.

Nominating Committee

Our Nominating Committee comprises our Independent Directors, Pao Kiew Tee and Khoo Boo Teck Randolph and our Non-Executive Director, Tan Soon Liang. Our Nominating Committee is chaired by Khoo Boo Teck Randolph.

The Nominating Committee is responsible for the following:

(a) to make recommendations to the Board on all board appointments, including re-nominations, having regard, to the director's contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, as an independent director;

(b) to determine annually whether or not a director is independent;

(c) in respect of a director who has multiple board representations on various companies, to decide whether or not such director is able to and has been adequately carrying out his/her duties as director, having regard to the competing time commitments that are faced when serving on multiple boards; and

(d) to decide how the Board's performance may be evaluated and propose objective performance criteria, as approved by the Board that allows for comparison with industry peers, and to address how the Board has enhanced long term shareholders' value.

Each member of the Nominating Committee shall abstain from voting on any resolution relating to his re-nomination as Director.

INTERESTED PERSON TRANSACTIONS

In general, transactions between our Group and any of our Interested Persons (namely, our Directors (including our CEO), Controlling Shareholders of our Company or the Associates of such Directors (including our CEO) or Controlling Shareholders) are Interested Person Transactions.

This section sets out the Interested Person Transactions entered into by our Group for FY2006, FY2007 and FY2008 and for the period commencing from 1 January 2009 to the Latest Practicable Date ("**Relevant Period**") on the basis of each member of our Group (namely, our Company and each of our Subsidiaries) being an Entity At Risk and with Interested Persons being construed accordingly.

Save as disclosed in this section and under the section entitled "Use of Proceeds and Listing Expenses" and "Restructuring Exercise" of this Offer Document, there has been no Interested Person Transactions during the Relevant Period involving our Group which are material in the context of the listing of our Shares on the Catalist.

PAST INTERESTED PERSON TRANSACTIONS

Payment for subcontracting services provided by Future Mould

Future Mould was an associate of our Executive Chairman, Chua Kim Guan, by virtue of it being wholly owned by his siblings. Accordingly, Future Mould was an Interested Person.

Future Mould was sold to a third party and ceased to be an Interested Person as at 19 September 2008 ("**Date of Cessation**").

The aggregate subcontracting fees paid to Future Mould by Jin Li Mould for the past two (2) financial years and the relevant period for which Future Mould was an Interested Person are as set out in the table below:

	FY2006 (S$'000)	FY2007 (S$'000)	From 1 January 2008 to Date of Cessation (S$'000)
Aggregate subcontracting fees	523	1,411	1,512

The above transactions were arrived at on normal commercial terms and on an arm's length basis.

Personal Guarantees given by our Executive Chairman, Chua Kim Guan, for Hire Purchase Agreements entered into by our Group

Since September 2001 up to October 2005, our Executive Chairman, Chua Kim Guan, had provided personal guarantees for certain credit facilities, all of which are hire purchase arrangements, granted to our Group, details of which are set out below:

Financial Institution	Aggregate Amount of Facilities Granted ($'000)
Hong Leong Finance Limited	41.6
United Overseas Bank Limited	327.0
Oversea-Chinese Banking Corporation Limited	31.9
Hitachi Credit Singapore Limited	35.1
Tan Wei Credit Pte Ltd	91.3
Orix Leasing Singapore Limited	1,389.2

Financial Institution	Aggregate Amount of Facilities Granted ($'000)
Heller Asia Capital (Singapore) Ltd	205.0
Sing Investment & Finance Limited	181.3
DBS Bank Ltd	1,888.3

These personal guarantees were in force during the Relevant Period and as at the Latest Practicable Date, the outstanding amounts under the above facilities had been fully settled and the guarantees provided by our Executive Chairman, Chua Kim Guan, had been discharged.

Our Executive Chairman, Chua Kim Guan did not receive any interest or other benefits from the provision of the guarantees and without any fees being paid by our Group. The provision of these personal guarantees was not on an arm's length basis.

Loans from our Executive Chairman, Chua Kim Guan to EMold Holding, EMold Plastics and EMold Kunshan

Our Executive Chairman, Chua Kim Guan, had provided loans to our Subsidiaries, EMold Holding, EMold Plastics and EMold Kunshan, of which an aggregate amount of S$515,524 remain outstanding as at 31 December 2008. The loans were interest-free, unsecured and repayable on demand.

Company	Amount of Loan outstanding as at 31 December 2008 (S$)	Date of Loan	Date of Repayment	Largest Amount Owing during the Relevant Period (S$)
EMold Holding	10,000	December 2008	April 2009	10,000
EMold Plastics	1,650[(1)]	December 2004	April 2009	1,650
EMold Kunshan	503,874	October 2008	April 2009	2,922,487

Note:

(1) The amount stated is the outstanding balance, after partial repayments, from loans made by our Executive Chairman, Chua Kim Guan to EMold Plastics prior to the Relevant Period.

Our Executive Chairman, Chua Kim Guan did not receive any interest or other benefits from the provision of these loans. These transactions are not conducted on an arm's length basis. As at the Latest Practicable Date, all these loans have been repaid to Chua Kim Guan.

Loans from Jin Li Mould to our Executive Chairman, Chua Kim Guan for purposes of capital injection into EMold Kunshan

Jin Li Mould had in FY2008 provided loans amounting to S$2,279,596 to our Executive Chairman, Chua Kim Guan for the purposes of capital injection into EMold Kunshan. The largest amount outstanding under the loan during the Relevant Period was S$2,279,596. The loan was interest-free, unsecured and repayable on demand. The loan was discharged by way of set off on 3 June 2009 pursuant to the Deed of Novation. For further details please refer to the section entitled "Restructuring Exercise" of the Offer Document.

Advances from Jin Li Mould to our Executive Chairman, Chua Kim Guan

The following table shows the total amount of advances from Jin Li Mould to our Executive Chairman, Chua Kim Guan, and the repayment of such advances in each of FY2006, FY2007 and FY2008:

(S$'000)	FY2006	FY2007	FY2008
Beginning Balance	0	0	0
Advance	2,811	3,188	892
Repayment	(2,811)	(3,188)	(892)
Year-end Balance	0	0	0

These advances were interest-free, unsecured and had no fixed term for repayment and would not ordinarily be considered as arm's length transactions. As at 31 December 2008, all advances had been fully repaid. We do not expect to enter into any future transaction of this nature with Chua Kim Guan and in the event we do so, such transaction will be conducted in accordance with the procedures described under the section entitled "Review Procedures for Interested Person Transactions" of this Offer Document.

ON-GOING INTERESTED PERSON TRANSACTIONS

Provision by our Executive Chairman, Chua Kim Guan, of Guarantees to our Group

As at the Latest Practicable Date, our Executive Chairman, Chua Kim Guan, had provided personal guarantees for credit facilities granted to our Group including interest thereon, details of which are set out in the table below:

Financial Institution	Type of Facilities	Aggregate Principal Amount of Facilities Granted (S$'000)
GE Money Pte Ltd	Hire Purchase	93.0
DBS Bank Ltd	Hire Purchase	3,903.8
	Term Loan	6,180.8
	Banking Facilities	15,821.7
Oversea-Chinese Banking Corporation Limited	Hire Purchase	254.4
Orix Leasing Singapore Limited	Hire Purchase	637.1
Abwin Trading Pte Ltd	Hire Purchase	27.0
CIMB Bank Berhad	Hire Purchase	280.0
	Banking Facilities	700.0
Standard Chartered Bank	Loan Facility	261.0
SME Creditassist (Singapore) Limited	Hire Purchase	28.6
	Term Loan	879.9

Our Executive Chairman, Chua Kim Guan did not receive any interest or other benefits from the provision of the guarantees and without any fees being paid by our Group. The above arrangements were not carried out on an arm's length basis.

Following the admission of our Company to the Catalist, we intend to request for the discharge of the above guarantees provided by our Executive Chairman, Chua Kim Guan, and replace them with corporate guarantees provided by our Group. Our Directors do not expect the revised terms and conditions of the credit facilities, following the discharge of the guarantees and the replacement with corporate guarantees by us, to have an adverse impact on our Group.

In the event the relevant financial institution does not agree to the release of the above guarantees, our Executive Chairman, Chua Kim Guan, has given an undertaking that he will not withdraw or revoke the guarantees provided by him and that the guarantees in favour of the relevant financial institution will remain.

REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

Our Audit Committee which comprises two (2) Independent Directors and one (1) Non-Executive Director will review and approve all Interested Person Transactions to ensure that they are on normal commercial terms and on arm's length basis, that is, the transactions are transacted in terms and prices not more favourable to the Interested Persons than if they were transacted with a third party and are not prejudicial to the interests of our Group or our Shareholders in any way. Please refer to the section entitled "Corporate Governance" of this Offer Document for more details of our Audit Committee.

To ensure that all future Interested Person Transactions are carried out on normal commercial terms and will not be prejudicial to the interests of our Shareholders, the following procedures will be implemented by our Group:

(a) In case of purchasing any products or engaging any services from an Interested Person, two other quotations from non-interested persons will be obtained for comparison to ensure that the interests of Shareholders are not disadvantaged. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two other quotations from non-interested persons. In determining the most competitive price or fee, all pertinent factors, including but not limited to quality, requirements, specifications, delivery time and track record will be taken into consideration;

(b) In case of selling any products or supplying any services to an Interested Person, the price or fee and terms of two other successful transactions of a similar nature with non-interested persons will be used as comparison to ensure that the interests of Shareholders are not disadvantaged. The price or fee for the supply of products or services shall not be lower than the lowest price or fee of the two other successful transactions with non-interested persons;

(c) In case of renting properties from or to an Interested Person, appropriate steps will be taken to ensure that such rent is matched with prevailing market rates, including adopting measures such as making relevant enquiries with landlords of similar properties and obtaining suitable reports or reviews published by property agents (where necessary). The rent payable shall be based on the most competitive market rental rates of similar properties in terms of size and location, based on the results of the relevant enquiries;

(d) Where it is not possible to compare against the terms of other transactions with unrelated third parties and given that the products and/or services may be purchased only from an Interested Person, the Interested Person Transaction will be approved by our Group's CEO, the CFO or an equivalent of the relevant company in the Group, who has no interest in the transaction, in accordance with our Group's usual business practices and policies. In determining the transaction price payable to the Interested Person for such products and/or service, factors such as, but not limited to, quantity, requirements and specifications will be taken into account; and

(e) In addition, we shall monitor all Interested Person Transactions entered into by us and categorise these transactions as follows:

   (i) a Category 1 Interested Person Transaction is one where the value thereof is in excess of 3.0% of the NTA or our Group; and

   (ii) a Category 2 Interested Person Transaction is one where the value thereof is below or equal to 3.0% of the NTA of our Group.

All Category 1 Interested Person Transactions must be approved by our Audit Committee prior to entry whereas Category 2 Interested Person Transactions need not be approved by our Audit Committee prior to entry but shall be reviewed on a quarterly basis by our Audit Committee.

Our Audit Committee will review all Interested Person Transactions, if any, on a quarterly basis to ensure that they are carried out on an arm's length basis and in accordance with the procedures outlined above. It will take into account all relevant non-quantitative factors. In the event that a member of our Audit Committee is interested in any such transaction, he will abstain from participating in the review and approval process in relation to that particular transaction.

The Company shall prepare all the relevant information to assist the Audit Committee in its review and will keep a register to record all Interested Person Transactions. The register shall also record the basis for entry into the transactions, including the quotations and other evidence obtained to support such basis.

Disclosure will be made in the Company's annual report of the aggregate value of Interested Person Transactions during the financial year under review and in the annual reports for the subsequent financial years of the Company.

In addition, our Audit Committee will include the review of Interested Person Transactions as part of the standard procedures while examining the adequacy of our internal controls. Our Board will also ensure that all disclosure, approval and other requirements on Interested Person Transactions, including those required by prevailing legislation, the Catalist Rules and accounting standards, are compiled with. In addition, such transactions will also be subject to Shareholders' approval if required by the Catalist Rules.

POTENTIAL CONFLICT OF INTERESTS

In general, a conflict of interest arises when any of our Directors, Controlling Shareholders or their Associates is carrying on or has any interest in any other corporation carrying on the same business or dealing in similar products as our Group. The following summarises potential conflicts of interest which may involve us and these persons.

Jin Li Precision

Jin Li Precision Engineering Pte Ltd ("**Jin Li Precision**"), a company which is wholly owned by our Executive Chairman, Chua Kim Guan, was engaged in the similar business as our Group. Jin Li Precision is wholly owned by our Executive Chairman, Chua Kim Guan.

Jin Li Precision has been dormant for the past four (4) years and is currently in the process of being struck off. Prior to the striking off of Jin Li Precision, to avoid any conflict of interests with our Group, Jin Li Precision has undertaken not to, and our Executive Chairman, Chua Kim Guan, has undertaken to, for as long as he remains a Director or Shareholder of our Company, procure that Jin Li Precision, will not directly or indirectly:

(a) deal in similar products as the Group;

(b) be engaged or interested in any business competing with the business of the Group; and

(c) solicit any person or corporation who is or has been at any time a customer of the Group; has business dealings with the Group; or is in commercial negotiations with the Group with a view to planning business with the Group.

In addition, our Executive Chairman, Chua Kim Guan, has undertaken, for as long as he remains a Director or Shareholder of our Company, to declare to the Board any acquisition of interests by him directly or indirectly in any other corporation carrying on the same business or dealing in similar products as our Group.

Infinite Mould

Infinite Mould Manufacturing Pte Ltd ("**Infinite Mould**"), a company in which our CEO, Ng Boon Leng, holds 10% of the issued and paid up share capital, was engaged in the similar business as our Group.

Infinite Mould has been dormant for the past two (2) years and is currently in the process of being struck off. Prior to the striking off of Infinite Mould, to avoid any conflict of interests with our Group, our CEO, Ng Boon Leng, has undertaken to, for as long as he remains a Director or Shareholder of our Company, procure that Infinite Mould, will not directly or indirectly:

(a) deal in similar products as the Group;

(b) be engaged or interested in any business competing with the business of the Group; and

(c) solicit any person or corporation who is or has been at any time a customer of the Group; has business dealings with the Group; or is in commercial negotiations with the Group with a view to planning business with the Group.

In addition, our CEO, Ng Boon Leng, has undertaken, for as long as he remains a Director or Shareholder of our Company, to declare to the Board any acquisition of interests by him directly or indirectly in any other corporation carrying on the same business or dealing in similar products as our Group.

Save as disclosed above in this section, none of our Directors, Controlling Shareholder or their Associates is carrying on or has any interest in any other corporation carrying on the same business or dealing in similar products as our Group.

Save as disclosed in the section entitled “Interested Person Transactions”, “Restructuring Exercise” and “Service Agreements” of this Offer Document, none of our Directors has any interests in any existing contract or arrangement which is significant in relation to the business of our Company and our Subsidiaries, taken as a whole.

Interests of Manager and Sponsor

In the reasonable opinion of our Directors, PPCF does not have a material relationship with our Company save as disclosed below and in the section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document:

(a) PPCF is the Manager and Sponsor of the Listing;

(b) PPCF will be the continuing Sponsor of our Company for a period of three (3) years from the date our Company is admitted and listed on the Catalist; and

(c) Pursuant to an agreement between PPCF and our Executive Chairman, Chua Kim Guan in relation to the Management Agreement on part payment for PPCF’s fees as the Manager and Sponsor, Chua Kim Guan agreed to transfer 1,851,852 Shares which is equivalent in value to S$500,000 (being part of PPCF’s fees) as based on the Placement Price. The above transfer will be completed after the Latest Practicable Date and prior to the listing of our Company on Catalist.

Interests of Placement Agent

In the reasonable opinion of our Directors , the Placement Agent, DMG, does not have a material relationship with our Company save as disclosed in the section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document.

DESCRIPTION OF ORDINARY SHARES

References in this section to "the Company", "the Articles" and "the Board" shall be construed as references to our Company, the articles of associations of our Company and our Board respectively. The following statements are brief summaries of the rights and privileges of shareholders of the Company conferred by the laws of Singapore and the Articles.

These statements summarise the material provisions of the Articles but are qualified in entirety by reference to the Articles.

ORDINARY SHARES

All of the ordinary shares of the Company are in registered form. The Company may, subject to the provisions of the Companies Act and the rules of the SGX-ST, purchase its own ordinary shares. However, it may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of its own ordinary shares.

NEW ORDINARY SHARES

New ordinary shares may only be issued with the prior approval in a general meeting of the shareholders of the Company. The aggregate number of shares to be issued pursuant to such approval may not exceed 100% (or such other limit as may be prescribed by the SGX-ST) of its issued share capital at the time of grant of such approval for the time being, of which the aggregate number of shares to be issued other than on a pro-rata basis to its shareholders may not exceed 50% (or such other limit as may be prescribed by the SGX-ST) of its issued share capital at the time of grant of such approval for the time being. The approval, if granted, will lapse at the conclusion of the annual general meeting following the date on which the approval was granted. Subject to the foregoing, the provisions of the Companies Act and any special rights attached to any class of shares currently issued, all new ordinary shares are under the control of the Board of Directors who may allot and issue the same with such rights and restrictions as it may think fit.

SHAREHOLDERS

Only persons who are registered in the register of shareholders of the Company and, in cases in which the person so registered is CDP, the persons named as the depositors in the depository register maintained by CDP for the ordinary shares, are recognised as shareholders of the Company. The Company will not, except as required by law, recognise any equitable, contingent, future or partial interest in any ordinary share or other rights for any ordinary share other than the absolute right thereto of the registered holder of that ordinary share or of the person whose name is entered in the depository register for that ordinary share. The Company may close the register of shareholders for any time or times if it provides the SGX-ST at least ten (10) clear market days' notice. However, the register may not be closed for more than 30 days in aggregate in any calendar year. The Company typically closes the register to determine shareholders' entitlement to receive dividends and other distributions.

TRANSFER OF ORDINARY SHARES

There is no restriction on the transfer of fully paid ordinary shares except where required by law or the listing rules or the rules or by-laws of any stock exchange on which the Company is listed. The Board of Directors may decline to register any transfer of ordinary shares which are not fully paid shares or ordinary shares on which the Company has a lien. Ordinary shares may be transferred by a duly signed instrument of transfer in a form approved by any stock exchange on which the Company is listed. The Board of Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. The Company will replace lost or destroyed certificates for ordinary shares if it is properly notified and if the applicant pays a fee which will not exceed $2 and furnishes any evidence and indemnity that the Board of Directors may require.

GENERAL MEETINGS OF SHAREHOLDERS

The Company is required to hold an annual general meeting every year. The Board may convene an Extraordinary General Meeting whenever it thinks fit and must do so if shareholders representing not less than 10% of the total voting rights of all shareholders request in writing that such a meeting be held. In addition, two or more shareholders holding not less than 10% of the issued share capital of the Company may call a meeting. Unless otherwise required by law or by the Articles, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to the Memorandum of Association and the Articles, a change of the corporate name and a reduction in the share capital, share premium account or capital redemption reserve fund. The Company must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to every shareholder who has supplied the Company with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

VOTING RIGHTS

A shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be a shareholder. A person who holds ordinary shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a shareholder if his name appears on the depository register maintained by CDP 48 hours before the general meeting. Except as otherwise provided in the Articles, two or more shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under the Articles, on a show of hands, every shareholder present in person and by proxy shall have one vote (provided that in the case of a shareholder who is represented by two proxies, only one of the two proxies as determined by that shareholder or, failing such determination, by the Chairman of the meeting in his sole discretion shall be entitled to vote on a show of hands), and on a poll, every shareholder present in person or by proxy shall have one vote for each ordinary share which he holds or represents. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any shareholder present in person or by proxy and representing not less than 10% of the total voting rights of all shareholders having the right to attend and vote at the meeting or by any two shareholders present in person or by proxy and entitled to vote. In the case of a tie vote, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

DIVIDENDS

The Company may, by ordinary resolution of its shareholders, declare dividends at a general meeting, but it may not pay dividends in excess of the amount recommended by the Board of Directors. The Company must pay all dividends out of its profits. The Board of Directors may also declare an interim dividend without the approval of its shareholders. All dividends are paid *pro rata* among the shareholders in proportion to the amount paid up on each shareholder's ordinary shares, unless the rights attaching to an issue of any ordinary share provides otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each shareholder at his registered address. Notwithstanding the foregoing, the payment by the Company to CDP of any dividend payable to a shareholder whose name is entered in the depository register shall, to the extent of payment made to CDP, discharge the Company from any liability to that shareholder in respect of that payment.

CAPITALISATION AND RIGHTS ISSUES

The Board of Directors may, with approval by the shareholders at a general meeting, capitalise any profits and distribute the same as shares credited as paid-up to the shareholders in proportion to their shareholdings. The Board of Directors may also issue rights to take up additional ordinary shares to shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which the Company is listed.

TAKEOVERS

The Securities and Futures Act and the Singapore Code on Takeovers and Mergers regulate the acquisition of ordinary shares of public companies and contain certain provisions that may delay, deter or prevent a future takeover or change in control of the Company. Any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of the voting shares in the Company must extend a takeover offer for the remaining voting shares in accordance with the provisions of the Singapore Code on Takeovers and Mergers. "Parties acting in concert" include a company and its related and associated companies, a company and its directors (including their relatives), a company and its pension funds, a person and any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, and a financial advisor and its client in respect of shares held by the financial adviser and shares in the client held by funds managed by the financial adviser on a discretionary basis. A mandatory offer for consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror within the preceding six months. A mandatory takeover offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30% and 50% of the voting rights acquires additional voting shares representing more than 1% of the voting shares in any six month period.

LIQUIDATION OR OTHER RETURN OF CAPITAL

If the Company liquidates or in the event of any other return of capital, holders of ordinary shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

INDEMNITY

As permitted by Singapore law, the Articles provide that, subject to the Companies Act, the Board of Directors and officers shall be entitled to be indemnified by the Company against any liability incurred in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to have been done as an officer, director or employee and in which judgement is given in their favour or in which they are acquitted or in connection with any application under any statute for relief from liability in respect thereof in which relief is granted by the court. The Company may not indemnify directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to the Company.

LIMITATIONS ON RIGHTS TO HOLD OR VOTE SHARES

Except as described in "Voting Rights" and "Takeovers" above, there are no limitations imposed by Singapore law or by the Articles on the rights of non-resident shareholders to hold or vote on ordinary shares.

MINORITY RIGHTS

The rights of minority shareholders of Singapore-incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any shareholder of the Company, as they think fit to remedy any of the following situations:

(a) the affairs of the Company are being conducted or the powers of the Board of Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of the shareholders; or

(b) the Company takes an action, or threatens to take an action, or the shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of the shareholders, including the applicant. Singapore courts have wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, Singapore courts may:

   a. direct or prohibit any act or cancel or vary any transaction or resolution;

b. regulate the conduct of the affairs of the Company in the future;

c. authorise civil proceedings to be brought in the name of, or on behalf of, the Company by a person or persons and on such terms as the court may direct;

d. provide for the purchase of a minority shareholder's shares by the other shareholders or by the Company and, in the case of a purchase of shares by the Company, a corresponding reduction of its share capital;

e. provide that the Memorandum of Association or the Articles be amended; or

f. provide that the Company be wound up.

TREASURY SHARES

The Articles of Association of a Company may expressly permit it to purchase or acquire shares or stocks of the Company and to hold such shares or stocks (or any of them) as treasury shares in accordance with requirements of Section 76 of the Companies Act. The Company may make a purchase or acquisition of its own shares (i) on a securities exchange if the purchase or acquisition has been authorised in advance by the Company in general meeting; or otherwise than on a securities exchange if the purchase or acquisition is made in accordance with an equal access scheme authorised in advance by the Company in general meeting. The aggregate number of ordinary shares held as treasury shares shall not at any time exceed 10% of the total number of Shares of the Company at that time. Any excess shares shall be disposed or cancelled before the end of a period of six months beginning with the day on which that contravention of limit occurs, or such further period as the Registrar may allow. Where ordinary shares or stocks are held as treasury shares by the Company through purchase or acquisition by the Company, the Company shall be entered in the register as the member holding those shares or stocks.

The Company shall not exercise any right in respect of the treasury shares and any purported exercise of such a right is void. Such rights include any right to attend or vote at meetings and 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 (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made, to the Company in respect of the treasury shares. However, this would not prevent an allotment of shares as fully paid bonus shares in respect of the treasury shares or the subdivision or consolidation of any treasury share into treasury share of a smaller amount, if the total value of the treasury shares after the subdivision or consolidation is the same as the total value of the treasury share before the subdivision or consolidation, as the case may be.

Where Shares are held as treasury shares, the Company may at any time (i) sell the Shares (or any of them) for cash; (ii) transfer the Shares (or any of them) for the purposes of or pursuant to an employees' share scheme; (iii) transfer the Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person; (iv) cancel the Shares (or any of them).

EXCHANGE CONTROLS

Our Group is subject to foreign exchange control restrictions in the following countries:

PRC

Please refer to "Appendix D – Description of Relevant Laws and Regulations – PRC" of this Offer Document for more details.

Singapore

There are no exchange control regulations or currency restrictions in Singapore.

Malaysia

Please refer to "Appendix D – Description of Relevant Laws and Regulations – Malaysia" of this Offer Document for more details.

Thailand

Subsequent to the finalisation of the liquidation of Jin Li Thailand, if there are any dividends payable to foreign shareholders, exchange control consent must be obtained to send such dividend payment out of Thailand. Exchange control consent is routinely granted by a commercial bank in Thailand on behalf of the Bank of Thailand. As part of this process, the commercial bank involved will expect to be shown evidence of the inbound payment for the shares of Jin Li Thailand before it will permit the outbound payment to be made.

TAXATION

Singapore Taxation

The following is a discussion of certain tax matters arising under the current tax laws in Singapore on the tax consequences in relation to the purchase, ownership and disposal of the Shares. The discussion is based on current tax laws in Singapore and is not intended to be and does not constitute legal or tax advice.

While this discussion is considered to be a correct interpretation of existing laws in force as at the date of this Offer Document, no assurance can be given that the courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such law, which may be retrospective, will not occur. The discussion is limited to a general description of certain tax consequences in Singapore with respect to ownership of the Shares by Shareholders, and does not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a Shareholder's decision with regard to the Placement.

Shareholders should consult their own tax advisers regarding Singapore income tax and other consequences of owning and disposing of the Shares. It is emphasised that neither the Company, the Directors nor any other persons involved in this Placement accepts responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of our Shares.

Singapore Income Tax

Corporate income tax

A Singapore tax resident corporate taxpayer is subject to Singapore income tax on:

- income accrued in or derived from Singapore; and
- foreign-sourced income received or deemed received in Singapore, unless otherwise exempted.

Foreign income in the form of branch profits, dividends and service fee income ("**specified foreign income**") received or deemed received in Singapore by a Singapore tax resident corporate taxpayer are exempted from Singapore tax subject to meeting the qualifying conditions.

A non-Singapore tax resident corporate taxpayer, subject to certain exceptions, is subject to Singapore income tax on income accrued in or derived from Singapore, and on foreign income received or deemed received in Singapore.

A company is regarded as tax resident in Singapore if the control and management of the company's business is exercised in Singapore. Normally, control and management of the company is vested in its board of directors and the place of residence of the company is where its directors meet.

The corporate income tax rate in Singapore is currently 18% and will be adjusted to 17% with effect from the Year of Assessment 2010 after allowing partial tax exemption on the first S$300,000 of a company's chargeable income.

Individual income tax

An individual taxpayer (both resident and non-resident) is subject to Singapore income tax on income accrued in or derived from Singapore, subject to certain exceptions. Foreign-sourced income received or deemed received by a Singapore tax resident individual is generally exempt from income tax in Singapore except for such income received through a partnership in Singapore. Certain Singapore-sourced investment income received or deemed received by individuals is also exempt from tax.

Currently, a Singapore tax resident individual is subject to tax at the progressive rates, ranging from 0% to 20%.

A non-Singapore tax resident individual is normally taxed at the tax rate of 20% except that Singapore employment income is taxed at a flat rate of 15% or at resident rates, whichever yields a higher tax.

An individual is regarded as a tax resident in Singapore if in the calendar year preceding the year of assessment, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

Dividend Distributions

Under the one-tier corporate tax system, the tax paid by a resident company is a final tax and the distributable profits of the company can be paid to shareholders as tax exempt (one-tier) dividends. Dividends paid by our Company will be exempt from tax in the hands of Shareholders, regardless of the tax residence status or the legal form of the Shareholders. However, foreign Shareholders are advised to consult their own tax advisers to take into account the tax laws of their respective countries of residence and the existence of any double taxation agreement which their country of residence may have with Singapore.

Capital Gains Tax

Singapore currently does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains. In general, gains or profits derived from the disposal of our Shares acquired for long-term investment purposes are considered as capital gains and not subject to Singapore tax.

On the other hand, where such gains or profits arise from activities which the Comptroller of Income Tax regards as the carrying on of a trade or business of dealing in shares in Singapore, gains or profits will ordinarily be taxed as income.

Bonus Shares

Any bonus shares received by our Shareholders are not taxable.

Stamp Duty

There is no stamp duty payable on the subscription, allotment or holding of our Shares.

Stamp duty is payable on the instrument of transfer of our Shares at the rate of S$2.00 for every S$1,000 or any part thereof, computed on the consideration paid or market value of our Shares registered in Singapore, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no instrument of transfer is executed (such as in the case of scripless shares, the transfer of which does not require instruments of transfer to be executed) or if the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

Goods and Services Tax ("GST")

The sale of our Shares by an investor belonging in Singapore to another person belonging in Singapore is an exempt supply not subject to GST.

Where our Shares are sold by a GST-registered investor in the course of a business to a person belonging outside Singapore, and that person is outside Singapore when the sale is executed, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at zero-rate. Any input GST incurred by a GST-registered investor in the making of this supply in the course of or furtherance of a business carried on by him is recoverable from the Comptroller of GST.

Services such as brokerage, handling and clearing services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase, sale or holding of our Shares will be subject to GST at the current rate of 7%. Similar services rendered to an investor belonging outside Singapore is generally subject to GST at zero-rate, provided that the investor is outside Singapore when the services are performed and the services provided do not benefit any Singapore persons.

Estate duty

With effect from 15 February 2008, no estate duty will be leviable in respect of deaths occurring on or after 15 February 2008.

GENERAL AND STATUTORY INFORMATION

1. INFORMATION ON DIRECTORS AND KEY EXECUTIVES

No Director or Key Executive or Controlling Shareholder:

(a) has, at any time during the last ten (10) years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time he was a partner or at any within two (2) years from the date he ceased to be a partner;

(b) has, at any time during the last ten (10) years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or key executive at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two (2) years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;

(c) has any unsatisfied judgement against him;

(d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;

(e) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;

(f) has, at any time during the last ten (10) years, had judgement entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, nor has he been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;

(g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

(h) has ever been disqualified from acting as a director or equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;

(i) has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity;

(j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:

  (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or

  (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere, or

(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the corporation or partnership, entity or business trust;

(k) has ever been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

2. MEMORANDUM AND ARTICLES OF ASSOCIATION

(a) Memorandum of Association

The Memorandum of Association of our Company states, among others, that the liability of members of our Company is limited and the activities that our Company is able to undertake is not restricted. The Memorandum of Association is available for inspection at our registered office as stated in the section titled “Documents for Inspection” of this Offer Document.

(b) Articles of Association

An extract of the relevant provisions of our Articles of Association of our Company, providing, *inter alia*, for (a) a Director’s power to vote on a proposal, arrangement or contract in which the Director is interested; (b) the Director’s power to vote on remuneration for himself or for any other director; (c) borrowing powers exercisable by the Directors and variation thereof; (d) retirement or non-retirement of Directors under an age limit requirement (e) number of shares, if any, required for Director’s qualification, (f) the rights ,preferences and restrictions attaching to each class of shares; (g) any change in capital; (h) any change in the respective rights of the various classes of shares; (i) any time limit after which a dividend entitlement will lapse; (j) any limitation on the right to own Shares, are as follows are set out in Appendix C of this Offer Document.

The complete Articles of Association of our Company are available for inspection by Shareholders. See paragraph 9 of this section.

3. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, to which our Company or any member of our Group is a party, for the period of two (2) years before the date of lodgment of this Offer Document, and are or may be material:

(a) Equity Transfer Agreement dated 16 December 2008 between EMold Holding and our Executive Chairman, Chua Kim Guan, details of which are set out in the section entitled “Restructuring Exercise”;

(b) Payment Agreement dated 3 June 2009 between EMold Holding and our Executive Chairman, Chua Kim Guan, details of which are set out in the section entitled “Restructuring Exercise”

(c) Share Swap Agreement dated 8 June 2009 between our Company and our Executive Chairman, Chua Kim Guan, details of which are set out in the section entitled “Restructuring Exercise”; and

(d) Deed of Novation dated 3 June 2009 between Jin Li Mould, EMold Holding and our Executive Chairman, Chua Kim Guan, details of which are set out in the section entitled “Restructuring Exercise”.

4. LITIGATION

Neither our Company nor any of our Subsidiaries is engaged in any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or which have had in the 12 months immediately preceding the date of lodgement of the Offer Document, a material effect on our Group's financial position or profitability.

5. MANAGEMENT AND PLACEMENT ARRANGEMENTS

(a) Pursuant to the Management Agreement, our Company and the Vendor appointed PPCF to sponsor and manage the Listing. PPCF will receive a cash and shares based management fee from each of the Company and the Vendor respectively for such services rendered.

(b) Pursuant to the Placement Agreement, the Placement Agent agreed to subscribe for or procure subscriptions for the Placement Shares for a placement commission of 3.0% of the Placement Price for each Placement Share, payable by our Company and the Vendor in the proportion in which the Placement Shares are offered by our Company and the Vendor. The Placement Agent may, at its absolute discretion appoint one or more secondary sub-placement agents for the Placement Shares.

(c) Subscribers of the Placement Shares may be required to pay a brokerage of up to 1.0% of the Placement Price to the Placement Agent (as the case may be) including the prevailing goods and services tax, if applicable.

(d) Save as aforesaid, no commission, discount or brokerage, has been paid or other special terms granted within the two years preceding the date of this Offer Document or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in, or debentures of, our Company or any of our subsidiaries.

(e) The Management Agreement may be terminated by PPCF at any time before the close of the Application List on the occurrence of certain events including:

   (i) PPCF becomes aware of any breach by our Company and/or its agent(s) of any warranties, representations, covenants or undertakings given by our Company to PPCF in the Management Agreement; or

   (ii) there shall have been, since the date of the Management Agreement, any change or prospective change in or any introduction or prospective introduction of any legislation, regulation, policy, directive, guideline, rule or byelaw by any relevant government or regulatory body, whether or not having the force of law, or any other occurrence of similar nature that would materially change the scope of work, responsibility or liability required of PPCF.

(f) The Placement Agreement may be terminated by DMG at any time before the close of the Application List on the occurrence of certain events including:

   (i) DMG becoming aware of any breach by our Company and/or its agent(s) of any warranties, representations, covenants or undertakings given by our Company to DMG in the Placement Agreement; or

   (ii) there shall have been, since the date of the Placement Agreement, any change or prospective change in or any introduction or prospective introduction of any legislation, regulation, policy, directive, guideline, rule or byelaw by any relevant government or regulatory body, whether or not having the force of law, or any other occurrence of similar nature, which event or events shall in the reasonable opinion of DMG (1) result or be likely to result in a material adverse fluctuation or adverse conditions in the stock market in Singapore or overseas or (2) be likely to materially prejudice the success of the offer or subscription of the Placement Shares (whether in the primary market or in respect of dealings in the secondary market) or (3) make it impracticable, inadvisable, inexpedient or uncommercial to proceed with any of the transactions contemplated in the Placement Agreement or (4) be likely to have a material adverse effect on the business, trading position, operations or prospects of the Company or of our Group as a whole or (5) be such that no reasonable placement agent would have entered into the Placement Agreement or (6) make it uncommercial or otherwise contrary to or outside the usual commercial practices of placement agents in Singapore for DMG to observe or perform or be obliged to observe or perform the terms of the Placement Agreement.

(g) The Placement Agreement is conditional upon the Management Agreement not being terminated or rescinded pursuant to the provisions of the Management Agreement, and may be terminated on the occurrence of certain events, including those specified above. In the event that the Management Agreement or the Placement Agreement is terminated, our Company reserves the right, at the absolute discretion of our Directors, to cancel the Placement.

6. MISCELLANEOUS

(a) The nature of the business of our Company has been stated earlier in this Offer Document. The corporations which by virtue of Section 6 of the Companies Act are deemed to be related to our Company are set out in the section entitled "Group Structure" of this Offer Document.

(b) There has been no previous issue of Shares by our Company or offer for sale of our Shares to the public within the two (2) years preceding the date of this Offer Document.

(c) There has not been any public takeover offer by a third party in respect of our Shares or by our Company in respect of shares of another corporation or units of a business trust which has occurred between FY2008 and the Latest Practicable Date.

(d) No expert is employed on a contingent basis by our Company or any of our Subsidiaries, or has a material interest, whether direct or indirect, in the shares of our Company or any of our Subsidiaries, or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Placement.

(e) No amount of cash or securities or benefit has been paid or given to any promoter within the two (2) years preceding the Latest Practicable Date or is proposed or intended to be paid or given to any promoter at any time.

(f) Save as disclosed in the section entitled "General and Statutory Information – Management and Placement Agreements" of this Offer Document, no commission, discount or brokerage has been paid or other special terms granted within the two (2) years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in, or debentures of, our Company or any of our Subsidiaries.

(g) Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with DBS Bank Ltd (the "**Receiving Bank**"). In the ordinary course of business, the Receiving Bank will deploy these monies in the inter-bank money market. All profits derived from the deployment of such monies will accrue to the Receiving Bank. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.

(h) Save as disclosed in this Offer Document, our Directors are not aware of any relevant material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Company and our Subsidiaries.

(i) Save as disclosed in this Offer Document, the financial condition and operations of our Group are not likely to be affected by any of the following:

  (i) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

  (ii) material commitments for capital expenditure;

  (iii) unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from operations; and

  (iv) known trends or uncertainties that have had or that we reasonably expect will have a material favourable or unfavourable impact on revenues or operating income.

(j) Save as disclosed in this Offer Document, our Directors are not aware of any event which has occurred since the end of FY2008 to the Latest Practicable Date which may have a material effect on the financial position and results of our Group or the financial information provided in this Offer Document.

7. CONSENTS

(a) The Independent Auditor and Reporting Accountants, Nexia TS Public Accounting Corporation, has given and have not withdrawn their written consent to the issue of this Offer Document with the inclusion herein of their report on the Combined Financial Statements of the Group for the financial years ended 31 December 2006, 2007 and 2008, in the form and context in which they are respectively included and references to their name in the form and context in which it appears in this Offer Document.

(b) The Manager and Sponsor as well as the Placement Agent have given and have not withdrawn their respective written consents to the issue of this Offer Document with the inclusion herein of their names and references thereto in the form and context in which they respectively appear in this Offer Document and to act in such respective capacities in relation to this Offer Document.

(c) Each of the Manager and Sponsor, the Placement Agent, the Solicitors to the Placement, the Share Registrar, the Principal Bankers and the Receiving Banker does not make or purport to make any statement in this Offer Document or any statement upon which a statement in this Offer Document is based and each of them makes no representation regarding any statement in this Offer Document and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any liability to any person which is based on, or arises out of, any statement, information or opinions in, or omission from, this Offer Document.

8. RESPONSIBILITY STATEMENT BY OUR DIRECTORS AND THE VENDOR

This Offer Document has been seen and approved by our Directors and the Vendor and they individually and collectively accept full responsibility for the accuracy of the information given in this Offer Document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in this Offer Document are fair and accurate in all material respects as at the date of this Offer Document and that there are no material facts the omission of which would make any statement herein misleading and that this Offer Document constitutes full and true disclosure of all material facts about the Placement, the Vendor and our Group.

9. DOCUMENTS FOR INSPECTION

The following documents or copies thereof may be inspected at our registered office during normal business hours for a period of six (6) months from the date of registration of this Offer Document with the SGX-ST (acting as agent on behalf of the Authority):

(a) the Memorandum and Articles of Association of our Company;

(b) Combined Financial Statements and the Independent Auditor's report thereon;

(c) the material contracts referred to in paragraph 3 of this section;

(d) the letters of consent referred to in this Offer Document; and

(e) the Service Agreements referred to in the section entitled "Service Agreements" of this Offer Document.

APPENDIX A – INDEPENDENT AUDITOR'S REPORT AND COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2006, 2007 AND 2008

STATEMENT BY DIRECTORS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2006, 2007 AND 2008

In the opinion of the directors,

(i) the combined financial statements set out on pages A-4 to A-50 are drawn up so as to present fairly, the state of affairs of the Group at 31 December 2006, 2007 and 2008, and of the results, changes in equity and cash flows of the Group for the financial years then ended; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The directors have, on the date of this statement, authorised these financial statements for issue.

On behalf of the directors,

Chua Kim Guan
Director

Ng Boon Leng
Director

1 July 2009

INDEPENDENT AUDITOR'S REPORT ON THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2006, 2007 AND 2008

1 July 2009

The Board of Directors
JLJ Holdings Limited
19 Keppel Road
#03-10 Jit Poh Building
Singapore 089058

Dear Sirs

We have audited the accompanying combined financial statements of JLJ Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") as set out on pages A-4 to A-50 comprising the combined balance sheets as at 31 December 2006, 2007 and 2008, combined income statements, combined statements of changes in equity and combined cash flow statements for the financial years ended 31 December 2006, 2007 and 2008 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting control sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income statements and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying combined financial statements of the Group give a true and fair view of the state of affairs of the Group as at 31 December 2006, 2007 and 2008 and of the results, changes in equity and cash flows of the Group for the financial years ended 31 December 2006, 2007 and 2008 in accordance with the basis of preparation set out in Notes 3.2 and 4.4 to the combined financial statements and Singapore Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

This report has been prepared for inclusion in the Offer Document in connection with the initial public offering of the ordinary shares of the Company on the Singapore Exchange Securities Trading Limited.

Nexia TS Public Accounting Corporation
Public Accountants and Certified Public Accountants
Director-in-charge: Henry SK Tan
(Appointed for the financial year ended 31 December 2007)

JLJ Holdings Limited and Its Subsidiaries
Combined Income statements
For the financial years ended 31 December 2006, 2007 and 2008

	Note	2006 $	2007 $	2008 $
Revenue	6	38,903,936	49,009,979	50,829,395
Cost of sales		(33,718,591)	(35,713,199)	(39,991,221)
Gross profit		5,185,345	13,296,780	10,838,174
Other income	7	295,456	233,997	388,743
Expenses				
- Selling and distribution		(947,531)	(646,270)	(946,687)
- Administrative		(2,954,298)	(4,344,471)	(3,973,836)
- Other operating		(429,603)	(1,115,615)	(114,282)
- Finance	10	(569,374)	(729,136)	(730,965)
Profit before income tax		579,995	6,695,285	5,461,147
Income tax expense	11	(586,693)	(911,320)	(586,476)
Net (loss)/profit		(6,698)	5,783,965	4,874,671
Attributable to:				
Equity holders of the Company		82,275	5,783,965	4,874,671
Minority interest		(88,973)	–	–
		(6,698)	5,783,965	4,874,671
Earnings per share (based on the pre-placement share capital) (cents) - Basic and diluted	12	–*	5.38	4.53

* Denotes loss per share of 0.006 cents

The annexed notes form an integral part of and should be read in conjunction with this combined financial statements

JLJ Holdings Limited and Its Subsidiaries
Combined Balance Sheets
As at 31 December 2006, 2007 and 2008

	Note	2006 $	2007 $	2008 $
ASSETS				
Current Assets				
Cash and cash equivalents	13	4,258,694	4,985,208	5,236,770
Trade and other receivables	14	9,779,132	10,995,469	11,124,273
Inventories	15	1,511,669	2,842,642	2,330,409
Deferred costs		775,160	1,680,875	4,011,754
Other current assets	16	214,579	560,959	1,215,417
		16,539,234	21,065,153	23,918,623
Non-Current Assets				
Property, plant and equipment	17	20,860,799	18,640,573	22,549,528
Intangible assets	18	12,983	5,307	243,290
		20,873,782	18,645,880	22,792,818
Total Assets		37,413,016	39,711,033	46,711,441
LIABILITIES				
Current Liabilities				
Trade and other payables	19	11,567,860	9,397,160	13,937,240
Current income tax liabilities		207,057	726,341	391,088
Borrowings	20	5,741,388	6,618,775	7,316,140
		17,516,305	16,742,276	21,644,468
Non-Current Liabilities				
Borrowings	20	2,661,078	2,453,044	2,598,926
Deferred income tax liabilities	22	1,253,587	1,153,716	957,799
		3,914,665	3,606,760	3,556,725
Total Liabilities		21,430,970	20,349,036	25,201,193
Net Assets		15,982,046	19,361,997	21,510,248
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	23	5,877,427	7,281,544	7,281,544
Retained earnings		10,318,459	11,627,550	12,826,368
Other reserves	24	(213,840)	452,903	1,402,336
Total equity		15,982,046	19,361,997	21,510,248

The annexed notes form an integral part of and should be read in conjunction with this combined financial statement

JLJ Holdings Limited and Its Subsidiaries
Combined Statement of Changes in Equity
For the financial years ended 31 December 2006, 2007 and 2008

	Note	← Attributable to equity holders of the Company →				Minority Interests	Total Equity
		Share Capital	Retained Earnings	Other Reserves	Total		
		$	$	$	$	$	$
2006							
Beginning of financial year		5,177,388	13,047,204	156,077	18,380,669	94,971	18,475,640
Currency translation differences	24	–	–	(369,917)	(369,917)	(5,998)	(375,915)
Net profit		–	82,275	–	82,275	(88,973)	(6,698)
Total recognised income		–	82,275	(369,917)	(287,642)	(94,971)	(382,613)
Injection of additional capital	23	700,039	–	–	700,039	–	700,039
Dividends paid	25	–	(2,811,020)	–	(2,811,020)	–	(2,811,020)
End of financial year		5,877,427	10,318,459	(213,840)	15,982,046	–	15,982,046
2007							
Beginning of financial year		5,877,427	10,318,459	(213,840)	15,982,046	–	15,982,046
Currency translation differences	24	–	–	380,641	380,641	–	380,641
Net profit		–	5,783,965	–	5,783,965	–	5,783,965
Total recognised income		–	5,783,965	380,641	6,164,606	–	6,164,606
Injection of additional capital	23	1,404,117	–	–	1,404,117	–	1,404,117
Dividends paid	25	–	(4,188,772)	–	(4,188,772)	–	(4,188,772)
Transfer to statutory reserves	24	–	(286,102)	286,102	–	–	–
End of financial year		7,281,544	11,627,550	452,903	19,361,997	–	19,361,997

	Note	Attributable to equity holders of the Company					
		Share Capital $	Retained Earnings $	Other Reserves $	Total $	Minority Interests $	Total Equity $
2008							
Beginning of financial year		7,281,544	11,627,550	452,903	19,361,997	–	19,361,997
Currency translation differences	24	–	–	949,433	949,433	–	949,433
Net profit		–	4,874,671	–	4,874,671	–	4,874,671
Total recognised income		–	4,874,671	949,433	5,824,104	–	5,824,104
Dividends paid	25	–	(3,675,853)	–	(3,675,853)	–	(3,675,853)
End of financial year		7,281,544	12,826,368	1,402,336	21,510,248	–	21,510,248

The annexed notes form an integral part of and should be read in conjunction with this combined financial statements

JLJ Holdings Limited and Its Subsidiaries
Combined Cash Flow Statements
For the financial years ended 31 December 2006, 2007 and 2008

	Note	2006 $	2007 $	2008 $
Cash flows from operating activities				
Net (loss)/profit		(6,698)	5,783,965	4,874,671
Adjustment for:				
- Income tax expense		586,693	911,320	586,476
- Amortisation and depreciation		3,707,555	3,653,080	4,289,369
- (Gain)/loss on disposal of property, plant and equipment		(26,780)	257,885	23,565
- Interest income		(118,424)	(32,694)	(41,572)
- Interest expense		569,374	729,136	730,965
- Unrealised translation (gains)/losses		(196,681)	375,336	123,384
		4,515,039	11,678,028	10,586,858
Changes in working capital:				
- Trade and other receivables		2,809,644	(1,216,337)	(128,804)
- Inventories		(435,221)	(1,330,973)	512,233
- Deferred costs		175,790	(905,715)	(2,330,879)
- Other current assets		172,814	(346,380)	(654,458)
- Trade and other payables		(4,048,798)	(2,648,029)	3,891,753
Cash generated from operations		3,189,268	5,230,594	11,876,703
Interest received		118,424	32,694	41,572
Income tax paid		(1,093,375)	(491,907)	(1,117,646)
Net cash generated from operating activities		2,214,317	4,771,381	10,800,629
Cash flows from investing activities				
Purchase of property, plant and equipment		(4,236,033)	(3,266,028)	(7,350,106)
Proceeds from disposal of property, plant and equipment		693,387	1,967,769	92,246
Purchase of intangible assets		–	–	(274,244)
Net cash used in investing activities		(3,542,646)	(1,298,259)	(7,532,104)

The annexed notes form an integral part of and should be read in conjunction with this combined financial statements

JLJ Holdings Limited and Its Subsidiaries
Combined Cash Flow Statements
For the financial years ended 31 December 2006, 2007 and 2008

	Note	2006 $	2007 $	2008 $
Cash flows from financing activities				
Proceeds from borrowings		1,665,485	1,246,393	1,542,445
Proceeds from injection of additional capital		700,039	1,404,117	–
Repayment of finance lease liabilities		(2,472,640)	(184,535)	(1,220,446)
Interest paid		(569,374)	(729,136)	(730,965)
Dividends paid		(2,811,020)	(3,711,443)	(3,027,526)
(Increase)/decrease in short-term bank deposits pledged		(732,641)	630,841	409,082
Net cash used in financing activities		(4,220,151)	(1,343,763)	(3,027,410)
Net (decrease)/increase in cash and cash equivalents		(5,548,480)	2,129,359	241,115
Cash and cash equivalents at beginning of financial year		5,464,711	(172,878)	1,959,482
Effects of currency translation on cash and cash equivalents		(89,109)	3,001	248,281
Cash and cash equivalents at end of financial year	13	(172,878)	1,959,482	2,448,878

The annexed notes form an integral part of and should be read in conjunction with this combined financial statements

1 Introduction

The combined financial statements of JLJ Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial years ended 31 December 2006, 2007 and 2008 have been prepared for inclusion in the offering documents of JLJ Holdings Limited in connection with initial public offering ("IPO") by the Company of 16,000,000 new ordinary shares.

2 Corporate Information

The Company was incorporated in the Republic of Singapore on 18 March 2009 under the Singapore Companies Act as a private limited company under the name of JLJ Holdings Pte Ltd.

The Company was incorporated for the purpose of acquiring the existing companies of the Group pursuant to the Group Restructuring Exercise (Note 3).

On 19 May 2009, the name of the Company was changed to "JLJ Holdings Limited" in connection with the Company's conversion to a Public Company Limited by shares. At the date of incorporation, the issued and paid up capital was $1, comprising one ordinary share.

The principal activity of the Company is that of investment holding. The registered office is located at 19 Keppel Road, #03-10, Jit Poh Building, Singapore 089058 and business address is located at No. 2 Woodlands Sector 1, #01-35, Woodlands Spectrum, Singapore 738068.

The principal activities of the subsidiaries are disclosed in Note 3.1.

3 Restructuring Exercise and Basis of Preparation

3.1 Restructuring Exercise

The restructuring exercise involved the following steps:

(a) Incorporation of the Company

The Company was incorporated on 18 March 2009 in Singapore in accordance with the Act as a private limited company with an issued and paid-up share capital of $1, comprising one ordinary share, which was allotted and issued to the Executive Chairman, Chua Kim Guan.

On 19 May 2009, the Company was converted into a public limited company and changed its name to "JLJ Holdings Limited".

(b) Incorporation of E'Mold Holding Pte Ltd ("EMold Holding")

EMold Holding was incorporated in Singapore on 21 November 2008. On incorporation, the issued and paid up capital of EMold Holding was $1 and comprising one ordinary share, allotted and issued to the Executive Chairman, Chua Kim Guan.

(c) Acquisition of E'Mold Manufacturing (Kunshan) Co., Ltd ("EMold Kunshan") by EMold Holding

Pursuant to an equity transfer agreement dated 16 December 2008 (the "Equity Transfer Agreement") and a payment agreement dated 3 June 2009 (the "Payment Agreement") between EMold Holding and the Executive Chairman, Chua Kim Guan, EMold Holding acquired the entire equity interest of EMold Kunshan from the Executive Chairman, Chua Kim Guan, for an aggregate consideration of $7,500,000 which was satisfied on 3 June 2009 by EMold Holding by:

(i) the issue of 5,220,404 ordinary shares in the capital of EMold Holding, credited as fully paid to the Executive Chairman, Chua Kim Guan; and

3 Restructuring Exercise and Basis of Preparation (continued)

3.1 Restructuring Exercise (continued)

(c) Acquisition of E'Mold Manufacturing (Kunshan) Co., Ltd ("EMold Kunshan") by EMold Holding (continued)

(ii) the balance of the consideration in the sum of $2,279,596 ("Kunshan Cash Consideration") by way of a set-off pursuant to the Deed of Novation dated 3 June 2009 (the "Deed of Novation") between the Executive Chairman, Chua Kim Guan, EMold Holding and Jin Li Mould and the Payment Agreement. Jin Li Mould assigned by way of novation to EMold Holding the right to payment from the Executive Chairman, Chua Kim Guan of an amount $2,279,596 (which was a loan previously extended by Jin Li Mould to the Executive Chairman, Chua Kim Guan, which was set off against the Kunshan Cash Consideration owing by EMold Holding to Chua Kim Guan).

The purchase consideration was based on an adjusted NAV of EMold Kunshan for FY2008 as agreed upon on a willing seller willing buyer basis.

(d) Acquisition of Jin Li Mould Manufacturing Pte Ltd ("Jin Li Mould"), EMold Holding and E'Molding Plastics Industries Pte Ltd ("EMold Plastics") by the Company

Pursuant to a share swap agreement dated 3 June 2009 (the "Share Swap Agreement") between the Company and the Executive Chairman, Chua Kim Guan, the Company acquired from the Executive Chairman, Chua Kim Guan, the entire issued share capital of:

(i) Jin Li Mould, comprising 750,000 ordinary shares in the capital of Jin Li Mould, for an aggregate consideration of $3,274,063, which was satisfied by an issuance of 3,274,063 ordinary shares, credited as fully paid, to the Executive Chairman, Chua Kim Guan on 8 June 2009. The purchase consideration was arrived at after taking into account the net assets value ("NAV") of Jin Li Mould as at 31 December 2008 as agreed upon on a willing seller willing buyer basis;

(ii) EMold Holding, comprising 5,220,405 ordinary shares in the capital of EMold Holding, for an aggregate consideration of $18,236,184, which was satisfied by an issuance of 18,236,184 ordinary shares, credited as fully paid, to the Executive Chairman, Chua Kim Guan on 8 June 2009. The purchase consideration was based on the adjusted NAV of EMold Holding as at 31 December 2008 as agreed upon on a willing seller willing buyer basis; and

(iii) EMold Plastics, comprising 300,000 ordinary shares in the capital of EMold Plastics, for an aggregate consideration of $1, which was satisfied by an issuance of one ordinary share, credited as fully paid, to the Executive Chairman, Chua Kim Guan on 8 June 2009. The purchase consideration was agreed upon on a willing seller willing buyer basis after taking into account the NAV of EMold Plastics as at 31 December 2008 which was negative.

3 Restructuring Exercise and Basis of Preparation (continued)

3.1 Restructuring Exercise (continued)

In connection with the completion of the above-mentioned acquisitions, the Company had issued 21,510,248 new ordinary shares (before the Share Split) to the Executive Chairman, Chua Kim Guan and became the holding company of the Group, and the resultant issued share capital comprised 21,510,249 ordinary shares. On 9 June 2009, pursuant to the Share Split, the Company sub-divided these 21,510,249 ordinary shares into 107,551,245 ordinary shares.

Changes in the Shareholding of the Company

(a) Pursuant to an agreement between the Executive Chairman, Chua Kim Guan and Ng Boon Leng, Chua Kim Guan agreed to sell and Ng Boon Leng agreed to purchase, 10,370,370 Shares which is equivalent in value to $2,800,000 as based on the Placement Price at an aggregate consideration of $2,800,000. The consideration was arrived at on a willing buyer willing seller basis.

(b) Pursuant to an agreement between the Executive Chairman, Chua Kim Guan and Tan Soon Liang, Chua Kim Guan agreed to sell and Tan Soon Liang agreed to purchase, 2,471,026 Shares which is equivalent to 2% of the post-Placement share capital of the Company at an aggregate consideration of $2,000. The consideration was arrived at on a willing buyer willing seller basis.

(c) Pursuant to an agreement between PrimePartners Corporate Finance Pte. Ltd. (“PPCF”) and the Executive Chairman, Chua Kim Guan in relation to the Management Agreement on part payment for PPCF’s fees as the Manager and Sponsor, Chua Kim Guan agreed to transfer 1,851,852 Shares which is equivalent in value to $500,000 (being part of PPCF’s fees) as based on the Placement Price.

3 Restructuring Exercise and Basis of Preparation (continued)

3.1 Restructuring Exercise (continued)

Group Structure

Upon the completion of the Restructuring Exercise, the Company has the following subsidiaries:

Name of Company	Principal activities	Place and date of incorporation	Issued and paid-up capital/ registered capital	% Ownership held by the Company
Held by the Company				
Jin Li Mould	Manufacturers and dealers of precision plastic and metal mould and investments in subsidiary company	Singapore 29 July 1993	$750,000	100
EMold Plastics	Manufacturers and dealers of precision plastic and metal mould	Singapore 8 July 2003	$300,000	100
EMold Holding	Investment Holding	Singapore 21 September 2008	$1	100
Held by Jin Li Mould				
Jin Li Mould (Thailand) Co., Ltd	Manufacturers and dealers of precision plastic and metal mould	Thailand 19 May 2005	THB 16,800,000	52
Jubilee	Manufacturers and dealers of precision plastic and metal mould	Malaysia 17 September 2007	RM300,000	100
Held by EMold Holding				
EMold Kunshan	Manufacturers and dealers of precision plastic and metal mould	PRC 18 August 2003	RMB 39,808,634	100

3 Restructuring Exercise and Basis of Preparation (continued)

3.2 Basic of Preparation

The combined financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards (FRS). The combined financial statements have been prepared on a historical cost basis, except as disclosed.

These combined financial statements for the financial years ended 31 December 2006, 2007 and 2008 were prepared based on the audited statutory financial statements and where appropriate, unaudited management accounts of all companies comprising the Group during the relevant periods.

Jin Li Mould and EMold Plastics were established in the Republic of Singapore with a registered capital of $750,000 and $300,000 respectively. The statutory financial statements for the financial years ended 31 December 2007 and 2008 were audited by Nexia TS Public Accounting Corporation, Certified Public Accountants and for the financial year ended 31 December 2006, they were audited by C.T. Ching & Co., Certified Public Accountants. The statutory audited financial statements for the financial years ended 31 December 2006, 2007 and 2008 were unqualified.

EMold Kunshan was established in the People's Republic of China ("PRC") with a registered capital of USD350,000. The statutory financial statements for the financial years ended 31 December 2006, 2007 and 2008 were audited by Suzhou Jing An Certified Public Accountants, PRC. The statutory audited financial statements for the financial years ended 31 December 2006, 2007 and 2008 which were prepared in accordance with Generally Accepted Accounting Principles ('GAAP") applicable in PRC were unqualified. The financial statements of EMold Kunshan prepared in accordance with FRS for the financial years ended 31 December 2006, 2007 and 2008 were audited by Nexia TS Public Accounting Corporation, Certified Public Accountants.

EMold Holding was a dormant company with a registered capital of $1. The Company was incorporated in the Republic of Singapore on 12 September 2008 with one ordinary share issued and fully paid by the Executive Chairman, Chua Kim Guan. The financial statements of the Company from 12 September 2008 to 31 December 2008 were unaudited as the Company selected its first financial period from 12 September 2008 to 31 December 2009.

The Restructuring Exercise involved companies which are under common control since all the entities which took part in the Restructuring Exercise were controlled by the same ultimate shareholders before and immediately after the Restructuring Exercise. The objective of the combined financial statements is to show what the historical information might have been had the Combined Group as described in Note 3.1 above and after the Restructuring Exercise had been in place since 1 January 2006 under the "pooling-of-interest" method.

Such manner of presentation reflects the economic substance of the combining companies, which were under common control ("common control") throughout the financial years ended 31 December 2006, 2007 and 2008 presented, as a single economic enterprise, although the legal parent-subsidiary relationships were not established as at respective balance sheet dates.

3 Restructuring Exercise and Basis of Preparation (continued)

3.2 Basic of Preparation (continued)

The combined financial statements have been prepared for inclusion in Offer Document in connection with initial public offering of the ordinary shares of the Company. These combined financial statements comprise:

(i) the audited combined income statements for the financial years ended 31 December 2006, 2007 and 2008.

(ii) the audited combined balance sheets as at 31 December 2006, 2007 and 2008.

(iii) the audited combined statements of changes in equity for the financial years ended 31 December 2006, 2007 and 2008.

(iv) the audited combined cash flows statements for the financial years ended 31 December 2006, 2007 and 2008.

The combined financial statements for the financial years ended 31 December 2006, 2007 and 2008 are based on the following:

(i) the financial results of Combined Group for the financial years ended 31 December 2006, 2007 and 2008 as if the Group structure as of the date of registration of Offer Document had been in place since 1 January 2006;

(ii) the financial positions of the Combined Group as at 31 December 2006, 2007 and 2008 as if Group structure as of the date of registration of Offer Document had been in place since 1 January 2006;

(iii) the changes in equity of the Combined Group for the financial years ended 31 December 2006, 2007 and 2008 as if Group structure as of the date of registration of Offer Document had been in place since 1 January 2006; and

(iv) the cash flows of the Combined Group for the financial years ended 31 December 2006, 2007 and 2008 as if the Group structure as of the date of registration of Offer Document had been in place since 1 January 2006.

4 Summary of Significant Accounting Policies

4.1 Statement of Compliance

The combined financial statements of the Group are prepared in accordance with FRS including related Interpretations promulgated by the Accounting Standards Council (“ASC”) (formerly known as Singapore Council on Corporate Disclosure and Governance).

The combined financial statements are prepared in accordance with FRS. The combined financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below. The combined financial statements are presented in Singapore Dollar (“$”), unless otherwise stated.

4 Summary of Significant Accounting Policies (continued)

4.2 Use of Estimates and Judgements

The preparation of the combined financial statements in accordance with FRS requires the Company's management to exercise its judgement in the process of the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the combined financial statements, are disclosed in Note 5. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of judgements about carrying values of assets and liabilities and which are not readily apparent from other sources. Actual results may differ from these estimates.

At the date of this report, the Directors of the Company have considered and anticipated that the adoption of FRS that were in issue but not effective will not have any material impact on the combined financial statements.

The Group and the Company have adopted all the applicable new/revised FRS issued by the Accounting Standards Council ("ASC") (formerly known as Singapore Council on Corporate Disclosure and Governance) that are relevant to its operations and effective for annual period beginning 1 January 2008. The adoption of these new/revised FRS has had no material effect on the combined financial statements for the current and prior financial years.

4.3 *Changes in Accounting Policies*

The Group has early adopted FRS and Interpretations to FRS ("INT FRS"), which are effective for accounting periods beginning on or after 1 January 2008, issued by the ASC for the preparation of these combined financial statements of the Group since 1 January 2006. FRS 101, First-time Adoption of Financial Reporting Standards, have been applied in preparing these combined financial statements.

The early adoption of FRS and INT FRS which are effective for periods beginning on or after 1 January 2008 did not result in any substantial changes to the Group's accounting policies nor any significant impact on these combined financial statements.

4.4 Common Control Business Combination Outside the Scope of FRS 103

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The Restructuring Exercise described in Note 3.1 resulted in a business combination involving common control entities, and accordingly the accounting treatment is outside the scope of FRS 103 Business Combinations. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the combined financial statements. In applying merger accounting, financial statement items of the combining entities or businesses for the reporting period in which the common control combination occurs, and for any comparative periods disclosed, are included in the combined financial statements of the combined entity as if the combination had occurred from the date when the coming entities or businesses first came under the control of the controlling party or parties.

4 Summary of Significant Accounting Policies (continued)

4.4 Common Control Business Combination Outside the Scope of FRS 103 (continued)

A single uniform set of accounting policies is adopted by the combined entity. Therefore, the combined entity recognises the assets, liabilities and equity of the combining entities or businesses at the carrying amounts in the combined financial statements of the controlling party or parties prior to the common control combination. The carrying amounts are included as if such combined entity applied a single uniform set of accounting policies to all periods presented. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination. The effects of all transactions between the combining entities or businesses, whether occurring before or after the combination, are eliminated in preparing the combined financial statements of the combined entity.

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group to the date on which that control ceases. In preparing the combined financial statements, intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

4.5 Revenue Recognition

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria for each of the Group's activities are met as follows:

(a) Sale of goods

Revenue is recognised net of goods and services tax and discounts when the significant risks and rewards of ownership of the goods have been transferred to the customers.

(b) Revenue from mould fabricated

Revenue from the fabrication of moulds and tools are recognised as work progresses, using the percentage-of-completion method. The percentage of completion is assessed by reference to the completion of the physical proportion of orders. Material, labour and overhead costs incurred relating to the fabrication of moulds and tools which are recognised as work progresses are deferred and classified as "deferred costs" in the combined balance sheets until the revenue is recognised.

(c) Interest income

Interest income is recognised using the effective interest method.

4 Summary of Significant Accounting Policies (continued)

4.6 Property, Plant and Equipment

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

		Useful lives
Electrical fittings	–	5 years
Furniture and fittings	–	5 years
Motor vehicles	–	5 years
Tools	–	5 years
Office equipment	–	3 – 5 years
Plant and machinery	–	5 – 8 years
Renovation	–	3 – 5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the income statement when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in the income statement when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in the income statement.

4 Summary of Significant Accounting Policies (continued)

4.7 Intangible Assets

Acquired computer software licenses

Acquired computer software licenses are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure including employee costs, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Computer software licenses are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight-line method over their estimated useful lives of three to five years.

The amortisation period and amortisation method of intangible assets are reviewed at least at each balance sheet date. The effects of any revision are recognised in the income statement when the changes arise.

4.8 Borrowing Costs

Borrowings costs are recognised in the income statement using the effective interest method.

4.9 Impairment of Non-Financial Assets

Intangible assets and property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the income statement.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the income statement.

4.10 Cash and Cash Equivalents

For the purpose of presentation in the combined cash flow statement, cash and cash equivalents include cash at bank and on hand, deposits with financial institutions and bank overdrafts. Bank overdrafts are presented as current borrowings in the combined balance sheets.

4 Summary of Significant Accounting Policies (continued)

4.11 Loans and Receivables

Loans and receivables are non-derivative assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" in the combined balance sheets.

These financial assets are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets.

The Group assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Allowance for impairment is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

4.12 Inventories

Inventories are carried at the lower of cost and net realisable value.

(i) Cost of raw materials are determined using the first-in, first-out basis; and

(ii) Cost of finished goods are determined on a specific identification basis. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

4.13 Trade and Other Payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

4.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

4.15 Income Taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

4 Summary of Significant Accounting Policies (continued)

4.15 Income Taxes (continued)

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income and expense in the income statement.

4.16 Employee Compensation

Defined contribution plans

Defined contributions plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due.

4.17 Leases

When the Group is the lessee:

Finance leases

Leases of property, plant and equipment where the Group assumes substantially the risks and rewards of ownership are classified as finance leases. The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised in the combined balance sheets as property, plant and equipment and borrowings respectively at the inception of the leases at the lower of the fair values of the leased assets and the present values of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding lease liability. The finance charge is recognised in the income statement and allocated to each period during the lease term so as to achieve a constant periodic rate of interest on the remaining balance of the finance lease liability.

Operating leases

Leases of property, plant and equipment where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination takes place.

4 Summary of Significant Accounting Policies (continued)

4.18 Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar ("$").

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the income statement.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the date of the balance sheet;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in the currency translation reserve.

4.19 Provisions for Other Liabilities and Charges

Provisions for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating leases.

4.20 Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new equity instruments, other than for the acquisition of businesses, are taken to equity as a deduction, net of tax, from the proceeds.

4.21 Segment Reporting

A business segment is a distinguishable component of the Group engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

4 Summary of Significant Accounting Policies (continued)

4.22 Dividends

Interim dividends are recorded in the financial year in which they are declared payable.

Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

4.23 Fair Value Estimation

The carrying amounts of current assets and liabilities, carried at amortised cost, are assumed to approximate their fair values.

The fair values of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial liabilities.

5 Critical Accounting Estimates, Assumptions and Judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group is subject to the uncertainty caused by the world financial crisis. The world economy has experienced significant downward pressure and credit has become very tight. Significant judgement is required to determine the fair value and forecasts of business that may have impact on cash flow, collectibility and realisability of assets. In making these judgements, the Company has relied on past experience and their view of the economy.

(a) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least annually. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgements as to whether there is observable date indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the market, economic or legal environment in which the debtor operates in. Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recognised in the income statement.

(b) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles. Management will reassess the estimations at the balance sheet date.

5 Critical Accounting Estimates, Assumptions and Judgements (continued)

(c) Uncertain tax positions

The Group is subject to income taxes in Singapore, PRC and Malaysia. In determining the income tax liabilities, management is required to estimate the amount of capital allowances and the deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred income tax provisions in the financial period in which such determination is made.

6 Revenue

	2006 $	2007 $	2008 $
Provision of precision plastic injection moulding services ("PPIM")	24,046,833	25,088,902	29,802,670
Design, fabrication and sale of precision plastic injection moulds ("MDF")	14,857,103	23,921,077	21,026,725
	38,903,936	49,009,979	50,829,395

7 Other Income

	2006 $	2007 $	2008 $
Interest income	118,424	32,694	41,572
Sales of scrap and other materials	150,252	201,303	347,171
Gain on disposal of property, plant and equipment	26,780	–	–
	295,456	233,997	388,743

8 Expenses by Nature

The following expenses have been included in arriving at profit before income tax:

	2006 $	2007 $	2008 $
Purchase of inventories	17,874,506	19,179,788	19,284,066
Depreciation of property, plant and equipment (Note 17)	3,699,770	3,645,408	4,253,969
Amortisation of intangible assets (Note 18)	7,785	7,672	36,965
Total amortisation and depreciation	3,707,555	3,653,080	4,290,934
Allowance for impairment of trade receivables	–	–	49,200
Employee compensation (Note 9)	8,908,129	10,584,548	11,757,160
Rental of factory and land	1,200,996	1,270,743	994,487
Utilities, water and electricity	1,259,538	1,156,716	1,690,823
Workshop, repair and maintenance	1,079,266	1,346,573	1,466,026
Foreign exchange loss, net	429,603	857,730	90,717
Freight charges	1,017,313	554,982	953,959
Travelling, transportation and entertainment	815,557	588,613	844,071
Loss on disposal of property, plant and equipment	–	257,885	23,565
Changes in inventories	(435,221)	(1,330,973)	512,233

9 Employee Compensation

	2006 $	2007 $	2008 $
Salaries, wages and bonuses	7,841,851	9,546,416	10,517,969
Welfare, medical and other benefits	648,078	624,024	748,967
Employer's contribution to defined contribution plans	418,200	415,108	490,224
	8,908,129	10,584,548	11,757,160

10 Finance Expenses

	2006 $	2007 $	2008 $
Interest expense:			
- Bank borrowings	80,884	123,697	187,802
- Bank overdraft	73,917	137,718	108,811
- Bills payable	164,168	109,869	123,495
- Factoring of trade receivables	80,173	187,512	184,780
- Finance lease	170,232	170,340	126,077
	569,374	729,136	730,965

11 Income Taxes

	2006 $	2007 $	2008 $
Income tax expense attributable to profit is made up of:			
- Profit from current financial year:			
Current income tax			
- Singapore	139,723	632,242	150,000
- Overseas	94,686	378,949	493,905
	234,409	1,011,191	643,905
Deferred income tax (Note 22)	319,261	(99,871)	(195,917)
	553,670	911,320	447,988
- Under provisions of current income tax in prior financial years	33,023	–	138,488
	586,693	911,320	586,476

The PRC subsidiary, EMold Kunshan was incorporated as wholly-owned foreign enterprise. EMold Kunshan is subject to state income tax rate of 15% and local tax rate of 3% for financial years 2006 and 2007 and uniform rate of 25% for financial year 2008.

Based on the "Income Tax Law of the PRC for Enterprises with Foreign Investments and Foreign Enterprises", EMold Kunshan is entitled to full exemption from the income tax for the first two profitable years and a 50% reduction in the income tax for the next three years. EMold Kunshan is also exempted from local tax rate of 3% for financial years 2006 and 2007.

EMold Kunshan elected the financial year ended 2004 as the first profitable year for the purpose of determining the tax exemption period. In financial years 2006 to 2007, EMold Kunshan was taxed at 7.5% of state income tax and local tax rate of 3% and was taxed at 12.5% of state income tax from 1 January 2008.

11 Income Taxes (continued)

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax as explained below:

	2006 **$**	**2007** **$**	**2008** **$**
Profit before income tax	579,995	6,695,285	5,461,146
Tax calculated at a tax rate of (2006: 20%); (2007: 18%); (2008: 18%)	115,999	1,205,151	983,006
Effects of:			
- Different tax rates in other countries	(65,050)	(92,874)	302,863
- Expenses not deductible for tax purposes	349,850	216,569	102,877
- Income not subject to tax	(3,500)	–	(86,071)
- Partial tax exemption	(10,500)	(27,450)	(27,450)
- Tax incentives	(132,127)	(437,551)	(796,767)
- Deferred tax assets not recognised	324,171	128,704	74,239
- Utilisation of previously unrecognised capital allowances	–	(87,747)	(97,413)
- Other	(25,173)	6,518	(7,296)
Tax charge	553,670	911,320	447,988

12 Earnings per Share

For illustrative purpose, the calculation of the basic earnings per share is based on the net profit attributable to equity holders of the Company for the financial years ended 31 December 2006, 2007 and 2008 and on 107,551,245 ordinary shares in issue as at the date of this report, representing the pre-placement share capital.

There were no diluted earnings per share for the financial years ended 31 December 2006, 2007 and 2008 as there were no potential ordinary shares outstanding.

13 Cash and Cash Equivalents

	2006 $	2007 $	2008 $
Cash at bank and on hand	2,616,400	3,973,755	4,634,399
Short-term bank deposits	1,642,294	1,011,453	602,371
	4,258,694	4,985,208	5,236,770

For the purpose of presenting the combined cash flow statements, the combined cash and cash equivalents comprise the following:

	2006 $	2007 $	2008 $
Cash and bank balances (as above)	4,258,694	4,985,208	5,236,770
Less: Short-term bank deposits pledged as collateral and with maturity of more than three months	(1,642,294)	(1,011,453)	(602,371)
Less: Bank overdraft (Note 20)	(2,789,278)	(2,014,273)	(2,185,521)
Cash and cash equivalents per combined cash flow statements	(172,878)	1,959,482	2,448,878

14 Trade and Other Receivables

	2006 $	2007 $	2008 $
Trade receivables			
- Non-related parties	9,408,520	10,769,078	10,364,831
- Related parties	10,253	35,416	135,742
	9,418,773	10,804,494	10,500,573
Less: Allowance for impairment of receivables – Non-related parties	–	–	(49,200)
Trade receivables, net	9,418,773	10,804,494	10,451,373
Advances to suppliers	203,050	113,608	320,697
Other receivables	157,309	77,367	352,203
	9,779,132	10,995,469	11,124,273

15 Inventories

	2006 $	2007 $	2008 $
Finished goods	1,101,799	1,986,007	1,199,529
Raw materials	409,870	856,635	1,130,880
	1,511,669	2,842,642	2,330,409

The cost of inventories recognised as an expense and included in "cost of sales" for financial years ended 31 December 2006, 2007 and 2008 are $17,439,285; $17,848,815 and $19,796,299 respectively.

16 Other Current Assets

	2006 $	2007 $	2008 $
Deposits	65,387	214,846	113,886
Prepayments	149,192	346,113	610,243
Deferred IPO costs	–	–	491,288
	214,579	560,959	1,215,417

17 Property, Plant and Equipment

	Plant and Machinery	Motor Vehicles	Office Equipment and Tools	Furniture and Electrical Fittings	Renovation	Total
	$	$	$	$	$	$
2006						
Cost						
Beginning of financial year	19,613,466	738,804	2,072,305	1,394,508	1,548,150	25,367,233
Currency translation differences	(133,818)	470	3,837	616	14,011	(114,884)
Additions	5,815,931	–	202,366	119,933	293,620	6,431,850
Disposals	(1,211,544)	–	(9,503)	–	–	(1,221,047)
End of financial year	24,084,035	739,274	2,269,005	1,515,057	1,855,781	30,463,152
Accumulated Depreciation						
Beginning of financial year	4,332,359	333,366	777,921	477,824	561,098	6,482,568
Currency translation differences	(20,170)	(236)	(875)	(274)	(3,991)	(25,546)
Depreciation charge	2,517,854	122,906	395,246	276,414	387,350	3,699,770
Disposals	(551,573)	–	(2,866)	–	–	(554,439)
End of financial year	6,278,470	456,036	1,169,426	753,964	944,457	9,602,353
Net book value at end of financial year	17,805,565	283,238	1,099,579	761,093	911,324	20,860,799
2007						
Cost						
Beginning of financial year	24,084,035	739,274	2,269,005	1,515,057	1,855,781	30,463,152
Currency translation differences	2,445	24	44	59	155	2,727
Additions	2,989,568	100,204	159,213	132,675	266,868	3,648,528
Disposals	(2,202,360)	(130,867)	(281,768)	(192,264)	(502,016)	(3,309,275)
End of financial year	24,873,688	708,635	2,146,494	1,455,527	1,620,788	30,805,132
Accumulated Depreciation						
Beginning of financial year	6,278,470	456,036	1,169,426	753,964	944,457	9,602,353
Currency translation differences	328	10	17	18	46	419
Depreciation charge	2,474,486	103,109	389,736	281,805	396,272	3,645,408
Disposals	(379,926)	(81,498)	(120,019)	(83,784)	(418,394)	(1,083,621)
End of financial year	8,373,358	477,657	1,439,160	952,003	922,381	12,164,559
Net book value at end of financial year	16,500,330	230,978	707,334	503,524	698,407	18,640,573

17 Property, Plant and Equipment (continued)

	Plant and Machinery	Motor Vehicles	Office Equipment and Tools	Furniture and Electrical Fittings	Renovation	Total
	$	$	$	$	$	$
2008						
Cost						
Beginning of financial year	24,873,688	708,635	2,146,494	1,455,527	1,620,788	30,805,132
Currency translation differences	651,227	5,409	11,370	19,151	52,902	740,059
Additions	4,754,744	56,862	552,725	313,100	2,022,675	7,700,106
Disposals	(54,765)	(221,644)	(768)	–	(6,200)	(283,377)
End of financial year	30,224,894	549,262	2,709,821	1,787,778	3,690,165	38,961,920
Accumulated Depreciation						
Beginning of financial year	8,373,358	477,657	1,439,160	952,003	922,381	12,164,559
Currency translation differences	127,240	3,238	5,866	6,801	19,851	162,996
Depreciation charge	2,935,932	91,988	406,101	299,907	518,476	4,252,404
Disposals	(9,298)	(151,515)	(554)	–	(6,200)	(167,567)
End of financial year	11,427,232	421,368	1,850,573	1,258,711	1,454,508	16,412,392
Net book value at end of financial year	18,797,662	127,894	859,248	529,067	2,235,657	22,549,528

(a) Included in additions in the combined financial statements are the following property, plant and equipment acquired under finance leases amounting to:

	2006	2007	2008
	$	$	$
Plant and machinery	2,195,816	348,700	350,000
Motor vehicles	–	33,800	–
	2,195,816	382,500	350,000

(b) The carrying amount of plant and equipment, motor vehicles and office equipment and tools held under finance leases are as follows:

	2006	2007	2008
	$	$	$
Plant and machinery	4,346,973	6,230,301	8,829,585
Motor vehicles	185,663	109,947	45,587
Office equipment and tools	18,400	–	–
	4,551,036	6,340,248	8,875,172

17 Property, Plant and Equipment (continued)

(c) Bank borrowings are secured on the following property, plant and equipment with the carrying amounts as follows:

	2006 $	2007 $	2008 $
Plant and machinery	1,074,607	977,042	941,045

18 Intangible Assets

Computer software licenses

	2006 $	2007 $	2008 $
Cost			
Beginning of financial year	39,591	37,731	37,743
Currency translation differences	(1,860)	12	2,657
Addition	–	–	274,244
End of financial year	37,731	37,743	314,644
Accumulated amortisation			
Beginning of financial year	17,912	24,748	32,436
Currency translation differences	(949)	16	1,953
Amortisation charge	7,785	7,672	36,965
End of financial year	24,748	32,436	71,354
Net book value	12,983	5,307	243,290

Amortisation charged during the financial years ended 31 December 2006, 2007 and 2008 are included in the combined income statements under "Administrative expenses".

19 Trade and Other Payables

	2006 $	2007 $	2008 $
Trade payables			
- Non-related parties	6,054,119	4,275,233	6,115,885
- Related parties	–	68,520	–
	6,054,119	4,343,753	6,115,885
Other payables	2,070,513	1,722,916	3,914,556
Accrued operating expenses	1,046,591	1,672,849	1,427,716
Advances from customers	–	299,506	1,341,777
Dividends payable	–	477,329	1,125,656
Non-trade amounts due to director	2,396,637	880,807	11,650
	11,567,860	9,397,160	13,937,240

The non-trade amounts due to director are unsecured, interest-free and are repayable on demand.

20 Borrowings

	2006 $	2007 $	2008 $
Current			
Bank borrowings	567,800	664,793	1,160,717
Bills payables	971,557	2,514,758	2,851,485
Bank overdraft (Note 13)	2,789,278	2,014,273	2,185,521
Finance lease liabilities (Note 21)	1,412,753	1,424,951	1,118,417
	5,741,388	6,618,775	7,316,140
Non-current			
Bank borrowings	1,292,468	898,667	1,608,461
Finance lease liabilities (Note 21)	1,368,610	1,554,377	990,465
	2,661,078	2,453,044	2,598,926
Total borrowings	8,402,466	9,071,819	9,915,066

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	2006 $	2007 $	2008 $
6 months or less	3,760,835	4,646,729	5,157,864
6 – 12 months	1,980,553	1,972,046	2,158,276
1 – 5 years	2,661,078	2,453,044	2,598,926
	8,402,466	9,071,819	9,915,066

(a) Security granted

At the balance sheet date, bank borrowings are secured by a legal mortgage over the Group's plant and machinery (Note 17). Bills payables and bank overdrafts are secured by floating charges over the Group's plant and machinery and personal guarantee of the Executive Chairman. Finance lease liabilities of the Group are secured by the rights to the leased plant and machinery, motor vehicles and office equipment and tools (Note 17), which will revert to the lessor in the event of default by the Group.

(b) Fair value of non-current borrowings

At balance sheet date, the fair values of non-current borrowings approximate their carrying amounts.

The fair values are determined from the cash flow analysis, discounted at annual market borrowing rate of an equivalent instrument at the balance sheet date which directors expect to be available to the Group as follows:

	2006 %	2007 %	2008 %
Bank borrowings	7.6	6.4	7.6
Bills payables	8.8	7.1	6.1
Finance lease liabilities	6.8	4.8	6.3

21 Finance Lease Liabilities

The Group purchased certain property, plant and equipment under finance lease agreements which expire over the next five years.

	2006 $	2007 $	2008 $
Minimum lease payments due:			
- Not later than one year	1,532,384	1,586,578	1,236,947
- Between two and five years	1,501,069	1,708,606	1,091,783
	3,033,453	3,295,184	2,328,730
Less: Future finance charges	(252,090)	(315,856)	(219,848)
Present value of finance lease liabilities	2,781,363	2,979,328	2,108,882

The present values of finance lease liabilities are analysed as follows:

	2006 $	2007 $	2008 $
Not later than one year	1,412,753	1,424,951	1,118,417
Between two and five years	1,368,610	1,554,377	990,465
Total	2,781,363	2,979,328	2,108,882

22 Deferred Income Taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting and their movement during the financial year, are shown in the combined balance sheets as follows:

	2006 $	2007 $	2008 $
Accelerated tax depreciation			
Beginning of financial year	934,326	1,253,587	1,153,716
Tax charge/(credited) to			
- Income statement (Note 11)	319,261	(99,871)	(195,917)
End of financial year	1,253,587	1,153,716	957,799

Net deferred income tax liabilities to be settled from the balance sheet date as follows:

	2006 $	2007 $	2008 $
Deferred income tax			
- to be settled within one year	487,317	774,612	563,044
- to be settled after one year	766,270	379,104	394,755
	1,253,587	1,153,716	957,799

23 Share Capital

The Company was incorporated on 18 March 2009 in the Republic of Singapore as an investment holding company with an initial issued and paid-up share capital of $1, comprising one ordinary share, which was issued and allotted to the Executive Chairman, Chua Kim Guan.

For the purpose of the preparation of the combined balance sheets, the balances of the share capital as at 31 December 2006, 2007 and 2008, represent the aggregate amounts of the paid-up capital of the following companies:

	2006 $	2007 $	2008 $
Jin Li Mould	750,000	750,000	750,000
EMold Plastics	300,000	300,000	300,000
EMold Kunshan	4,827,427	6,231,544	6,231,544
	5,877,427	7,281,544	7,281,544

The movements in the share capital of the Group are as follows:

	Jin Li Mould $	EMold Plastics $	EMold Kunshan $	Total $
As at 1 January 2006	750,000	300,000	4,127,388	5,177,388
Injection of additional capital during the financial year	–	–	700,039	700,039
As at 31 December 2006	750,000	300,000	4,827,427	5,877,427
Injection of additional capital during the financial year	–	–	1,404,117	1,404,117
As at 31 December 2007 and 2008	750,000	300,000	6,231,544	7,281,544

24 Other Reserves

	2006 $	2007 $	2008 $
(a) Composition			
Currency translation reserve	(213,840)	166,801	1,116,234
Statutory reserve	–	286,102	286,102
	(213,840)	452,903	1,402,336

24 Other Reserves (continued)

(b) Movements

	2006 $	2007 $	2008 $
(i) Currency translation reserve			
Beginning of financial year	156,077	(213,840)	166,801
Net currency translation differences of financial statements of foreign subsidiaries	(375,915)	380,641	949,433
Less: Minority interests	5,998	–	–
	(369,917)	380,641	949,433
End of financial year	(213,840)	166,801	1,116,234
(ii) Statutory reserve			
Beginning of financial year	–	–	286,102
Transfer from retained earnings	–	286,102	–
End of financial year	–	286,102	286,102

(i) Currency translation reserve

The currency translation reserve of the Group comprised foreign exchange differences arising from the translation of the financial statements of the foreign operations whose functional currencies are different from that of the Group.

(ii) Statutory reserve

In accordance with the relevant laws and regulations of the PRC, companies in the PRC are required to set aside a general reserve fund by way of appropriation from their statutory net profit, as reported in the PRC statutory financial statements, at a rate to be determined by the board of directors of the Company. The board of directors have decided that 10% of the statutory net profit, as reported in the PRC statutory financial statements of the PRC subsidiary, be appropriated to the general reserve fund.

The reserve fund may be used to offset accumulated losses or increase the registered capital of these subsidiaries, subject to the approval from the PRC authorities, and are not available for dividend distribution to the shareholders.

25 Dividends

	2006 $	2007 $	2008 $
Jin Li Mould			
Interim tax exempt (one-tier) dividends of $3.75; $4.25 and $2.69 per share for financial years ended 31 December 2006, 2007 and 2008 respectively	2,811,020	3,187,500	2,017,500
EMold Kunshan			
Final dividend paid in respect of previous financial years of 90% and 86% of paid-up capital as at 31 December 2004 and 2005 respectively	–	1,001,272	1,658,353
	2,811,020	4,188,772	3,675,853

26 Commitments

(a) Capital commitments

Subsequent to the financial year ended 31 December 2008, the Group entered into purchase contracts with suppliers and is committed to capital expenditure for property, plant and equipment of approximately $3,511,000.

(b) Operating lease commitments

The Group has various lease commitments with non-related parties in respect of office, factories and warehouses. The leases have varying terms, renewal rights and escalation clauses to reflect current market rental and value.

The future aggregate minimum lease payable under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are analysed as follows:

	2006 $	2007 $	2008 $
Not later than one year	966,107	283,449	910,397
Between two and five years	92,930	454,356	949,322
	1,059,037	737,805	1,859,719

27 Related Party Transactions

In addition to the related party information disclosed elsewhere in the combined financial statements, the following related party transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales, purchases and other expenses

	2006 $	2007 $	2008 $
Sales of goods to related parties	14,610	53,305	236,280
Purchases of materials from related parties	6,000	–	–
Subcontractor services provided by related parties	522,592	1,411,132	1,512,340

(b) Key management personnel compensation (representing compensation to directors and executive officers of the Group) is as follows:

	2006 $	2007 $	2008 $
Salaries and wages	529,467	707,152	950,050
Employer's contribution to defined contribution plans	31,690	40,754	54,247
	561,157	747,906	1,004,297

Included in the above is total compensation to directors of the Group amounting to $402,935; $493,818 and $552,639 for the financial years ended 31 December 2006, 2007 and 2008 respectively.

28 Segment Information

(a) Primary reporting format – business segments

For the financial year ended 31 December 2006

	PPIM $	MDF $	Total $
Revenue	24,046,833	14,857,103	38,903,936
Segment result	10,304,344	(5,118,999)	5,185,345
Other income			295,456
Unallocated costs			(4,331,432)
Finance cost			(569,374)
Profit before income tax			579,995
Income tax expense			(586,693)
Net loss			(6,698)
Other segment items:			
Capital expenditure:			
- property, plant and equipment	2,429,279	3,386,652	5,815,931
Depreciation	1,058,222	1,459,633	2,517,855
Segment assets	12,043,634	15,010,052	27,053,686
Unallocated assets			10,359,330
Total assets			37,413,016
Segment liabilities	2,186,675	3,987,127	6,173,802
Unallocated liabilities			15,257,168
Total liabilities			21,430,970

28 Segment Information (continued)

(a) Primary reporting format – business segments (continued)

For the financial year ended 31 December 2007

	PPIM $	MDF $	Total $
Revenue	25,088,902	23,921,077	49,009,979
Segment result	7,173,031	6,123,749	13,296,780
Other income			233,997
Unallocated costs			(6,106,356)
Finance cost			(729,136)
Profit before income tax			6,695,285
Income tax expense			(911,320)
Net profit			5,783,965
Other segment items:			
Capital expenditure:			
- property, plant and equipment	1,817,529	1,109,667	2,927,196
Depreciation	1,266,390	1,208,096	2,474,486
Segment assets	13,677,656	13,784,048	27,461,704
Unallocated assets			12,249,329
Total assets			39,711,033
Segment liabilities	2,058,886	2,206,151	4,265,037
Unallocated liabilities			16,083,999
Total liabilities			20,349,036

28 Segment Information (continued)

(a) Primary reporting format – business segments (continued)

For the financial year ended 31 December 2008

	PPIM $	MDF $	Total $
Revenue	29,802,670	21,026,725	50,829,395
Segment result	6,691,628	4,146,546	10,838,174
Other income			388,743
Unallocated costs			(5,034,805)
Finance cost			(730,965)
Profit before income tax			5,461,147
Income tax expense			(586,476)
Net profit			4,874,671
Other segment items:			
Capital expenditure:			
- property, plant and equipment	2,467,021	2,243,338	4,710,359
Depreciation	1,438,342	1,497,589	2,935,931
Segment assets	14,846,227	12,432,258	27,278,485
Unallocated assets			19,432,956
Total assets			46,711,441
Segment liabilities	4,266,009	4,739,245	9,005,254
Unallocated liabilities			16,195,939
Total liabilities			25,201,193

28 Segment Information (continued)

(a) Primary reporting format – business segments (continued)

The Group is organised into two main business segments:

- Provision of precision plastic injection moulding services ("PPIM"); and
- Design, fabrication and sale of precision plastic injection moulds ("MDF").

There are no inter-segment sales. Unallocated costs represent corporate expenses. Segment assets consist primarily of property, plant and equipment, intangible assets, inventories and trade receivables. Segment liabilities comprise trade payables and exclude income tax liabilities, borrowings and deferred income tax liabilities. Capital expenditures comprise additions to property, plant and equipment and intangible assets.

(b) Secondary reporting format – geographical segments

The Group's three business segments operate in three main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally involved in the two main business segments;
- PRC – the operations in this area are principally involved in the two main business segments; and
- Other countries – the operations include the design, fabrication and sale of precision plastic injection moulds in Malaysia and Thailand.

With the exception of Singapore, no other individual country contributed more than 10% of combined sales and assets. Sales are based on the country in which the customer is located. Total assets and capital expenditure are shown by the geographical area where the assets are located.

The Group's revenue, based on the customers' geographical location, are mainly in the following countries:

	2006 $	2007 $	2008 $
United States	31,267,986	35,191,777	44,843,460
Singapore	5,206,986	4,061,845	2,504,686
Malaysia	2,068,312	9,748,407	1,297,414
Europe	360,652	7,950	2,183,835
	38,903,936	49,009,979	50,829,395

28 Segment Information (continued)

(b) Secondary reporting format – geographical segments (continued)

The Group's total assets and capital expenditure based on the geographical area where the assets are located are as follows:

	2006 $	2007 $	2008 $
Total assets			
Singapore	19,366,475	19,860,207	20,196,079
PRC	15,173,392	19,787,420	23,997,973
Malaysia	–	10,339	2,496,373
Thailand	2,873,149	53,067	21,016
	37,413,016	39,711,033	46,711,441
Capital expenditure			
Singapore	2,762,435	2,048,680	2,707,797
PRC	3,265,780	1,578,784	4,342,701
Malaysia	–	–	923,095
Thailand	403,635	21,064	–
	6,431,850	3,648,528	7,973,593

29 Financial Risk Management and Instruments

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group's principal financial instruments comprise bank borrowings, bills payables, bank overdrafts and finance lease liabilities and cash and short-term bank deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

It is, and has been throughout the financial years under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

The overall business strategies of the Group, its tolerance for risk and its general risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions. In determining its risk management policies, the management ensures that an acceptable balance is made between the cost of risks occurring and the cost of managing the risks.

29 Financial Risk Management and Instruments (continued)

The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Market risk

(i) Currency risk

Entities in the Group provide services and sell goods in several countries, and as a result, transact in currencies other than their respective functional currencies ("foreign currencies") such as the United States Dollar ("USD"), Chinese Renminbi ("RMB"), Euro ("€"), Thailand Baht ("THB") and Malaysia Ringgit ("RM").

In addition to transactional exposure, the Group is also exposed to foreign exchange movements in its net investments in foreign subsidiaries. The Group does not have any formal policy with respect to such foreign currency exposure as its investments are long-term in nature.

The Group manages the foreign exchange exposure arising from future commercial transactions and recognised assets and liabilities by a policy of matching, as far as possible, receipts and payments in each individual currency.

The Group's currency exposure based on the information provided to key management is as follows:

	SGD $	USD $	RMB $	Other $	Total $
2006					
Financial Assets					
Cash and cash equivalents	1,616,892	1,114,964	1,479,115	47,723	4,258,694
Trade and other receivables	1,047,438	8,266,957	349,077	115,660	9,779,132
Other financial assets	11,450	–	10,391	43,546	65,387
	2,675,780	9,381,921	1,838,583	206,929	14,103,213
Financial Liabilities					
Trade and other payables	5,502,523	3,193,520	1,055,776	1,816,041	11,567,860
Borrowings	8,402,466	–	–	–	8,402,466
	13,904,989	3,193,520	1,055,776	1,816,041	19,970,326
Net financial (liabilities)/ assets	(11,229,209)	6,188,401	782,807	(1,609,112)	(5,867,113)
Less: Net financial liabilities/ (assets) denominated in respective entities' functional currencies	10,327,438	–	(782,807)	1,609,112	
Currency exposure on financial assets and liabilities	(901,771)	6,188,401	–	–	

29 Financial Risk Management and Instruments (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD $	USD $	RMB $	Other $	Total $
2007					
Financial Assets					
Cash and cash equivalents	1,150,657	2,907,211	616,760	310,580	4,985,208
Trade and other receivables	2,595,621	7,997,009	338,212	64,627	10,995,469
Other financial assets	192,916	–	21,930	–	214,846
	3,939,194	10,904,220	976,902	375,207	16,195,523
Financial Liabilities					
Trade and other payables	6,650,369	1,745,136	966,753	34,902	9,397,160
Borrowings	7,684,307	1,167,996	219,516	–	9,071,819
	14,334,676	2,913,132	1,186,269	34,902	18,468,979
Net financial (liabilities)/ assets	(10,395,482)	7,991,088	(209,367)	340,305	(2,273,456)
Less: Net financial liabilities/ (assets) denominated in respective entities' functional currencies	9,776,069	–	209,367	(340,305)	
Currency exposure on financial assets and liabilities	(619,413)	7,991,088	–	–	

29 Financial Risk Management and Instruments (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD $	USD $	RMB $	Other $	Total $
2008					
Financial Assets					
Cash and cash equivalents	265,984	2,528,182	1,466,288	976,316	5,236,770
Trade and other receivables	1,041,784	9,069,447	410,396	602,646	11,124,273
Other financial assets	17,634	–	25,160	71,092	113,886
	1,325,402	11,597,629	1,901,844	1,650,054	16,474,929
Financial Liabilities					
Trade and other payables	10,362,174	1,460,698	1,777,195	337,173	13,937,240
Borrowings	9,297,628	617,438	–	–	9,915,066
	19,659,802	2,078,136	1,777,195	337,173	23,852,306
Net financial (liabilities)/ assets	(18,334,400)	9,519,493	124,649	1,312,881	(7,377,377)
Less: Net financial liabilities/ (assets) denominated in respective entities' functional currencies	17,950,455	–	(124,649)	(116,013)	
Currency exposure on financial assets and liabilities	(383,945)	9,519,493	–	1,196,868	

If the USD change against the SGD by 5% for each financial year with all other variables including tax rate being held constant, the effects arising from the net financial liability/ asset position to the combined income statements will be as follows:

	2006 $	2007 $	2008 $
USD against SGD			
- strengthened	(309,420)	(399,554)	(475,975)
- weakened	309,420	399,554	475,975

If other foreign currencies change against the SGD by 5% for each financial year with all other variables including tax rate being held constant, the effects arising for the net financial liability/asset position will not be significant.

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest bearing assets and liabilities, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

29 Financial Risk Management and Instruments (continued)

(b) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Since the Group trades only with recognised, creditworthy and secured third parties, there is no requirement for collateral. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group has concentration of credit risk with major customers, who on aggregate, accounted for approximately 79%, 80% and 71% of the Group's revenue for financial years 2006, 2007 and 2008 respectively. Those major customers include: Apple Computer Inc, and its contract manufacturers and Dyson Manufacturing Sdn Bhd and its related corporations.

As the Group and Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the combined balance sheets.

The credit risk for trade receivables based on the information provided by the Group is as follows:

	2006 $	2007 $	2008 $
By geographical areas			
- United States of America	7,529,089	5,935,392	8,480,916
- Singapore	1,282,547	1,939,993	903,435
- Malaysia	365,471	2,911,253	297,478
- Europe	241,666	17,856	769,544
	9,418,773	10,804,494	10,451,373
By types of customers			
Related parties	10,253	35,416	135,742
Non-related parties			
- Multi-national companies	8,877,009	10,080,027	10,289,312
- Other companies	531,511	689,051	26,319
	9,418,773	10,804,494	10,451,373

29 Financial Risk Management and Instruments (continued)

(b) Credit risk (continued)

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables. The age analysis of trade receivables past due but not impaired is as follows:

	2006	**2007**	**2008**
	$	**$**	**$**
Past due 0 to 3 months	2,272,045	3,743,256	2,389,381
Past due 3 to 6 months	149,725	881,760	728,539
Past due over 6 months	253,683	–	–
	2,675,453	4,625,016	3,117,920

The carrying amount of trade receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	2006	**2007**	**2008**
	$	**$**	**$**
Gross amount	–	–	49,200
Less: Allowance for impairment	–	–	(49,200)
	–	–	–
Beginning of financial year	–	–	–
Allowance made	–	–	49,200
Allowance written back	–	–	–
End of financial year	–	–	49,200

The impaired trade receivables arise in respect of a mould produced for an existing customer who has contended does not meet its specification, a contention which the management is refuting and is in negotiations with such customer.

29 Financial Risk Management and Instruments (continued)

(c) Liquidity risk

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year $	Between 1 and 2 years $	Between 2 and 5 years $
2006			
Trade and other payables	11,567,860	–	–
Borrowings	5,741,388	2,476,508	184,570
	17,309,248	2,476,508	184,570
2007			
Trade and other payables	9,397,160	–	–
Borrowings	6,618,775	2,050,520	402,524
	16,015,935	2,050,520	402,524
2008			
Trade and other payables	13,937,240	–	–
Borrowings	7,316,140	1,408,041	1,190,885
	21,253,380	1,408,041	1,190,885

The Group manages the liquidity risk by maintaining a level of cash and cash equivalents deemed adequate to finance the Group's business operations and development activities. The Group's objective is to maintain a balance between continuing of funding and flexibility through the use of bank borrowings, bills payables, bank overdrafts and finance lease liabilities.

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on debt-equity ratio. The Group is not required by the banks to maintain debt-equity ratio except for a subsidiary, Jin Li Mould, which is required to maintain debt-equity ratio of not exceeding 2.50 times for financial year ended 31 December 2008. The Group's strategies, which were unchanged from 2006, are to maintain debt-equity ratios within 1.00 to 2.00 times.

The debt-equity ratio is calculated as total liabilities divided by total equity.

	2006 $	2007 $	2008 $
Total liabilities	21,430,970	20,349,036	25,201,193
Total equity	15,982,046	19,361,997	21,510,248
Debt-equity ratio	1.34	1.05	1.17

30 New Accounting Standards and FRS Interpretations

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods and which the Group has not early adopted. The Group's assessment of the impact of adopting those standards, amendments and interpretations that are relevant to the Group is set out below:

(a) FRS 1(R) *Presentation of Financial Statements* (effective for annual periods beginning on or after 1 January 2009)

The revised standard requires:

- All changes in equity arising from transactions with owner in their capacity as owners to be presented separately from components of comprehensive income;

- Components of comprehensive income not to be included in statement of changes in equity;

- Items of income and expenses and components of other comprehensive income to be presented either in a single income statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income);

- Presentation of restated balance sheet as at the beginning of the comparative period when entities make restatements or reclassifications of comparative information.

The revisions also include changes in the titles of some of the financial statements' primary statements.

The Group will apply the revised standard from 1 January 2009 and provide comparative information that conforms to the requirements of the revised standard. The key impact of the application of the revised standard is the presentation of an additional primary statement, that is, the statement of comprehensive income.

(b) FRS 108 *Operating Segments* (effective for annual periods beginning on or after 1 January 2009).

FRS 108 supersedes FRS 14 Segment Reporting and requires the Group to report the financial performance of its operating segments based on the information used internally by management for evaluating segment performance and deciding on allocation of resources. Such information may be different from the information included in the financial statements, and the basis of its preparation and reconciliation to the amounts recognised in the financial statements shall be disclosed.

The Group will apply FRS 108 from 1 January 2009 and provide comparative information that conforms to the requirements of FRS 108. The Group expects the new operating segments to be significantly different from business segments currently disclosed and expects more information to be disclosed under FRS 108.

30 New Accounting Standards and FRS Interpretations (continued)

(c) Revised FRS 23 *Borrowing Costs* (effective for annual periods beginning on or after 1 January 2009).

The revised standard removes the option to recognise immediately as an expense borrowing costs that are attributable to qualifying assets, except for those borrowing costs on qualifying assets that are measured at fair value or inventories that are manufactured or produced in large quantities on a repetitive basis.

The Group will apply the revised FRS 23 from 1 January 2009. The revised standard is not expected to have any impact to the Group.

31 Authorisation of Combined Financial Statements for Issue

The combined financial statements of JLJ Holdings Limited for the financial years ended 31 December 2006, 2007 and 2008 were authorised for issue in accordance with a resolution of the Board of Directors on 1 July 2009.

APPENDIX B – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION

You are invited to apply and subscribe for and/or purchase the Placement Shares at the Placement Price, subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 PLACEMENT SHARES AND INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF SHARES WILL BE REJECTED.**

2. Your application for Placement Shares may only be made by way of Placement Shares Application Forms.

   YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE PLACEMENT SHARES.

3. **You are allowed to submit only one application in your own name for the Placement Shares.**

   If you, being other than an approved nominee company, have submitted an application for Placement Shares in your own name, you should not submit any other application for Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and will be liable to be rejected at the discretion of our Company and the Vendor.

   Joint applications shall be rejected. If you submit or procure submissions of multiple share applications for the Placement Shares, you may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications may be rejected at the discretion of our Company and the Vendor.

4. We will not accept applications from any person under the age of 21 years, undischarged bankrupts, sole proprietorships, partnerships, chops or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Forms) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased name at the time of application.

   No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased name at the time of application.

5. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or companies after complying with paragraph 6 below.

6. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies and licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies shall be rejected.

7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected. If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form, your application is liable to be rejected. Subject to paragraph 8

below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality, permanent residence status and CDP Securities Account number provided in your Application Form differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.

8. **If your address as stated in the Application Form is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondence from CDP will be sent to your address last registered with CDP.**

9. **Our Company and the Vendor reserve the right to reject any application which does not conform strictly to the instructions set out in the Application Forms and in this Offer Document or with the terms and conditions of this Offer Document or, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance or remittances which are not honoured upon the first presentation.**

10. **Our Company and the Vendor further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.**

11. Our Company and the Vendor reserve the right to reject or to accept, in whole or in part, any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of our Company and the Vendor will be entertained. In deciding the basis of allotment and/or allocation which shall be at the discretion of our Company and the Vendor, due consideration will be given to the desirability of allotting and/or allocating the Placement Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

12. Share certificates will be registered in the name of CDP and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of Placement Shares allotted to you, if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company and the Vendor. You irrevocably authorise CDP to complete and sign on your behalf, as transferee or renounce, any instrument of transfer and/or other documents required for the issue or transfer of the Placement Shares allotted and/or allocated to you.

13. In the event that we lodge a supplementary or replacement Offer Document ("**Relevant Document**") pursuant to the SFA or any applicable legislation in force from time to time prior to the close of the Placement, and the Placement Shares have not been issued and/or sold, we (and on behalf of the Vendor) will (as required by law), and subject to the SFA, at our sole and absolute discretion either

    (i) within 7 days of the lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to withdraw; or

    (ii) deem your application as withdrawn and cancelled and refund your application monies (without interest or any share of revenue or other benefit arising therefrom) to you within 7 days from the lodgement of the Relevant Document.

    Where you have notified us within 14 days from the date of lodgement of the Relevant Document of your wish to exercise your option under paragraph 13(i) and (ii) above to withdraw your application, we (and on behalf of the Vendor) shall pay to you all monies paid by you on account of your application for the Placement Shares without interest or any share or revenue or other benefit arising therefrom and at your own risk, within 7 days from the receipt of such notification.

In the event that at any time at the time of the lodgement of the Relevant Document, the Placement Shares have already been issued and/or sold but trading has not commenced, we (and on behalf of the Vendor) will (as required by law), and subject to the SFA, either:

(iii) within 7 days from the lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to return the Placement Shares; or

(iv) deem the issue as void and refund your payment for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom) within 7 days from the lodgement of the Relevant Document.

Any applicant who wishes to exercise his option under paragraph 13(iii) above to return the Placement Shares issued and/or sold to him shall, within 14 days from the date of lodgement of the Relevant Document, notify us of this and return all documents, if any, purporting to be evidence of title of those Placement Shares, whereupon we (and on behalf of the Vendor) shall, subject to the SFA, within 7 days from the receipt of such notification and documents, pay to him all monies paid by him for the Placement Shares without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the Placement Shares issued to him shall be void.

Additional terms and instructions applicable upon the lodgement of the supplementary or replacement Offer Document, including instructions on how you can exercise the option to withdraw, may be found in such supplementary or replacement Offer Document.

14. In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares under-subscribed shall subscribed by the Placement Agent.

15. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Placement Shares allotted and/or allocated to you pursuant to your application, to us, the Vendor, the Sponsor and the Placement Agent and, any other parties so authorised by the foregoing persons.

16. Any reference to "you" or the "applicant" in this section shall include a person applying for the Placement Shares through the Placement Agent.

17. By completing and delivering an Application Form in accordance with the provisions of this Offer Document, you:

    i. irrevocably offer, agree and undertake to subscribe for and/or purchase the number of Placement Shares specified in your application (or such smaller number for which the application is accepted) at the Placement Price and agree that you will accept such Placement Shares as may be allotted and/or allocated to you, in each case, subject to the conditions set out in this Offer Document and the Memorandum and Articles of Association of our Company;

    ii. agree that the aggregate Placement Price for the Placement Shares applied for is due and payable to our Company and the Vendor forthwith;

    iii. warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company and the Vendor in determining whether to accept your application and/or whether to allot and/or allocate any Placement Shares to you; and

    iv. agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Vendor, the Sponsor and/or the Placement Agent will infringe any such laws as a result of the acceptance of your application.

18. Our acceptance of applications will be conditional upon, *inter alia*, our Company and the Vendor being satisfied that:

    i. permission has been granted by the SGX-ST to deal in and for quotation of all our existing Shares (including the Vendor Shares) and the New Shares on the Catalist;

    ii. the Management Agreement and the Placement Agreement referred to in the section " General and Statutory Information – Management and Placement Arrangements" of this Offer Document have become unconditional and have not been terminated; and

    iii. the Authority has not served a stop order which directs that no or no further shares to which this Offer Document relates be allotted and/or allocated.

19. In the event that a stop order in respect of the Placement Shares is served by the Authority or other competent authority, and

    a. the Placement Shares have not been issued, and/or sold, we will (as required by law), and subject to the SFA, deem all applications withdrawn and cancelled and we shall refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days of the date of the stop order; or

    b. the Placement Shares have already been issued and/or sold but trading has not commenced, the issue will (as required by law) be deemed void and:

        (i) if documents purporting to evidence title had been issued to you, our Company (for itself and on behalf of the Vendor) shall inform you to return such documents to us within 14 days from that date; and

        (ii) we (for ourselves and on behalf of the Vendor) will refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within 7 days from the date of receipt of those documents (if applicable) or the date of the stop order, whichever is later.

    This shall not apply where only an interim stop order has been served.

20. In the event that an interim stop order in respect of the Placement Shares is served by the Authority or other competent authority, no Placement Shares shall be issued to you until the Authority revokes the interim stop order.

21. The Authority or the SGX-ST (acting on behalf of the Authority) is not able to serve a stop order in respect of the Placement Shares if the Placement Shares have been issued and listed on a securities exchange and trading in them has commenced.

22. In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same through a SGXNET announcement to be posted on the Internet at the SGX-ST website http://www.sgx.com and through a paid advertisement in a generally circulating daily press.

23. We will not hold any application in reserve.

24. We will not allot and/or allocate shares on the basis of this Offer Document later than six months after the date of registration of this Offer Document.

25. Additional terms and conditions for applications by way of Application Forms are set out on pages B-5 of this Offer Document.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out in the section entitled "Terms, Conditions And Procedures For Application and Acceptance" of this Offer Document as well as the Memorandum and Articles of Association of our Company.

1. Your application for the Placement Shares must be made using the **BLUE** Application Forms for Placement Shares accompanying and forming part of this Offer Document.

   We draw your attention to the detailed instructions contained in the respective Application Forms and this Offer Document for the completion of the Application Forms which must be carefully followed. **Our Company and the Vendor reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittances.**

2. Your Application Forms must be completed in English. Please type or write clearly in ink using BLOCK LETTERS.

3. All spaces in the Application Forms, except those under the heading "FOR OFFICIAL USE ONLY", must be completed and the words "NOT APPLICABLE" or "N.A." should be written in any space that is not applicable.

4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full names as they appear in your identity cards (if you have such identification document) or in your passports and, in the case of corporation, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with our Company's Share Registrar and Share Transfer Office. Our Company and the Vendor reserve the right to require you to produce documentary proof of identification for verification purposes.

5. (a) You must complete Sections A and B and sign on page 1 of the Application Form.

   (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).

   (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.

6. You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Placement Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation.

7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of Placement Shares applied for, in the form of a BANKER'S DRAFT or CASHIER'S ORDER drawn on a bank in Singapore, made out in favour of **"JLJ HOLDINGS SHARE ISSUE ACCOUNT"** crossed **"A/C PAYEE ONLY",** with your name, CDP Securities Account Number and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by ANY OTHER FORM OF PAYMENT WILL NOT BE ACCEPTED. We will reject remittances bearing "NOT TRANSFERABLE" or "NON TRANSFERABLE" crossings. No acknowledgement or receipt will be issued by us, the Vendor or the Sponsor for applications and application monies received.

8. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and application monies have been received in the designated share issue account. In the event that the Placement is cancelled by us following the termination of the Management Agreement and/or the Placement Agreement or the Placement does not proceed for any reason, the application monies received will be refunded (without interest or any share of revenue or any other benefit arising therefrom) to you by ordinary post or telegraphic transfer at your own risk within 5 Market Days of the termination of the Placement. In the event that the Placement is cancelled by us following the issuance of a stop order by the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post or telegraphic transfer at your own risk within 14 Market Days from the date of the stop order.

9. Capitalised terms used in the Application Forms and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.

10. By completing and delivering the Application Form, you agree that:

    i. in consideration of our Company and the Vendor having distributed the Application Form to you and agreeing to close the Application List at 12.00 noon on 9 July 2009 or such other time or date as our Directors and the Vendor may, in consultation with the Sponsor and Placement Agent, decide and by completing and delivering the Application Form, you agree that:

        a. your application is irrevocable; and

        b. your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;

    ii. all applications, acceptances and contracts resulting therefrom under the Placement shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

    iii. in respect of the Placement Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;

    iv. you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;

    v. in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Vendor, the Manager and Sponsor as well as the Placement Agent or any other person involved in the Placement shall have any liability for any information not so contained;

vi. you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, and share application amount to our Share Registrar, CDP, SCCS, SGX-ST, our Company, the Vendor, the Manager and Sponsor as well as the Placement Agent or other authorised operators; and

vii. you irrevocably agree and undertake to subscribe for and/or purchase the number of Placement Shares applied for as stated in the Application Form or any smaller number of such Placement Shares that may be allotted and/or allocated to you in respect of your application. In the event that our Company decides to allot and/or allocate any smaller number of Placement Shares or not to allot and/or allocate any Placement Shares to you, you agree to accept such decision as final.

Applications for Placement Shares

1. Your application for Placement Shares **MUST** be made using the **BLUE** Placement Shares Application Forms. **ONLY ONE APPLICATION** should be enclosed in each envelope.

2. The completed **BLUE** Placement Shares Application Form and the correct remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate postage (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk** to JLJ Holdings Limited c/o DMG & Partners Securities Pte Ltd, 20 Raffles Place, #22-01 Ocean Towers, Singapore 048620, to arrive by **12.00 noon on 9 July 2009 or such other time as our Company and the Vendor may, in consultation with the Sponsor and Placement Agent, decide. Local Urgent Mail or Registered Post must NOT be used. ONLY ONE APPLICATION** should be enclosed in each envelope**.** No acknowledgement of receipt will be issued for any application or remittance received.

3. Alternatively, you may remit your application monies by electronic transfer to the account of DBS Bank Ltd in favour of **"JLJ HOLDINGS SHARE ISSUE ACCOUNT"** for the number of Placement Shares applied for by **12.00 noon on 9 July 2009 or such other time as our Company and the Vendor may, in consultation with the Sponsor and Placement Agent, decide.** If you remit your application monies via electronic transfer, you should send and fax a copy of the remittance advice to DMG & Partners Securities Pte Ltd at fax number (65) 6535 4809, to arrive **by 12.00 noon on 9 July 2009 or such other time as our Company and the Vendor may, in consultation with the Sponsor and Placement Agent, decide.** No acknowledgement of receipt will be issued for any application or remittance received.

4. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

APPENDIX C – SELECTED EXTRACTS OF OUR ARTICLES OF ASSOCIATION

The discussion below provides information about certain provisions of our Memorandum and Articles of Association and the laws of Singapore. This description is only a summary and is qualified by reference to Singapore law and our Articles.

The instruments that constitute and define our Company are the Memorandum and Articles of Association of the Company

Memorandum of Association

The registration number with which our Company was incorporated is (Registration No. 200814792H). Our Memorandum of Association states that the liability of our Shareholders is limited to the amount, if any, for the time being unpaid on the shares respectively held by them.

Articles of Association

The provisions in the Articles of Association of our Company relating to:

(a) a Director's power to vote on a proposal, arrangement or contract in which the Director is interested

Article 100

A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(b) the Director's power to vote on remuneration (including pension or other benefits) for himself or for any other director, and whether the quorum at a meeting of the board of Directors to vote on Directors' remuneration may include the director whose remuneration is the subject of the vote

Article 77

The ordinary remuneration of the Directors, which shall from time to time be determined by an Ordinary Resolution of the Company, shall not be increased except pursuant to an Ordinary Resolution passed at a General Meeting where notice of the proposed increase shall have been given in the notice convening the General Meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. The ordinary remuneration of an executive Director may not include a commission on or a percentage of turnover and the ordinary remuneration of a non-executive Director shall be a fixed sum, and not by a commission on or a percentage of profits or turnover.

Article 78

Any Director who holds any executive office, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine, provided that such extra remuneration (in case of an executive Director) shall not be by way of commission on or a percentage of turnover and (in the case of a Director other than a non-executive Director) shall be a fixed sum, and not by a commission on or a percentage of profits or turnover.

Article 79

The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise in or about the business of the Company.

Article 80

The Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme or to pay premiums.

(c) *borrowing powers exercisable by the Directors and how such borrowing powers can be varied*

Article 108

Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(d) *retirement or non-retirement of Directors under an age limit requirement*

Article 89

At each Annual General Meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that no Director holding office as Managing Director shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire. For the avoidance of doubt, each Director (other than a Director holding office as Managing Director) shall retire at least once every three years.

Article 90

The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who is due to retire at a General Meeting by reason of age or who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by ballot. A retiring Director shall be eligible for re-election.

Article 91

The Company at a General Meeting at which a Director retires under any provision of these Articles may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default, the retiring Director shall be deemed to have been re-elected except in any of the following cases:

(a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost; or

(b) where such Director has given notice in writing to the Company that he is unwilling to be re-elected; or

(c) where the default is due to the moving of a resolution in contravention of the next following Article; or

(d) where such Director has attained any retiring age applicable to him as Director.

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

(e) *the number of shares, if any, required for Director's qualification*

Article 76

A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a Member of the Company shall nevertheless be entitled to receive notice of and to attend and speak at General Meetings.

(f) *rights, preferences and restrictions attaching to each class of shares*

Article 3

(A) Subject to the Act and to these Articles, no shares may be issued by the Directors without the prior approval of the Company in General Meeting pursuant to Section 161 of the Act, but subject thereto and the terms of such approval, and to Article 5, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and whether or not subject to the payment of any part of the amount thereof in cash or otherwise as the Directors may think fit, and any shares may, subject to compliance with Sections 70 and 75 of the Act, be issued with such preferential, deferred, qualified or special rights, privileges, conditions or restrictions, whether as regards Dividend, return of capital, participation in surplus assets and profits, voting, conversion or otherwise, as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors in accordance with the Act, provided always that no options shall be granted over unissued shares except in accordance with the Act and the Designated Stock Exchange's listing rules.

(B) The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

(C) Except so far as otherwise provided by the conditions of issue or by these Articles, all new shares shall be issued subject to the provisions of the Statutes and of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.

Article 8

(A) In the event of preference shares being issued, the total number of issued preference shares shall not at any time exceed the total number of the issued ordinary shares. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance-sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any General Meeting convened for the purpose of reducing capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the General Meeting directly affects their rights and privileges or when the Dividend on the preference shares is more than six months in arrear.

(B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

Article 9

(A) Whenever the share capital of the Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, be made either with the consent in writing of the holders of three-quarters of the total number of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these Articles relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two or more persons holding at least one-third of the total number of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him where the class is a class of equity shares within the meaning of Section 64(1) of the Act or at least one vote for every share of the class where the class is a class of preference shares within the meaning of Section 180(2) of the Act, provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters of the total number of the issued shares of the class concerned within two months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.

(B) The provisions in Article 9(A) shall mutatis mutandis apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.

(C) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.

Article 14

Every person whose name is entered as a Member in the Register of Members shall be entitled, within ten market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the closing date of any application for shares or (as the case may be) the date of lodgement of a registrable transfer, to one certificate for all his shares of any one class or to several certificates in reasonable denominations each for a part of the shares so allotted or transferred.

Article 34

(A) There shall be no restriction on the transfer of fully paid up shares (except where required by law or by the rules, bye-laws or listing rules of the Designated Stock Exchange) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve, provided always that in the event of the Directors refusing to register a transfer of shares, the Company shall within ten market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.

(B) The Directors may decline to register any instrument of transfer unless:

(a) such fee not exceeding $2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require is paid to the Company in respect thereof;

(b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;

(c) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if stamp duty is payable on such instrument of transfer in accordance with any law for the time being in force relating to stamp duty), the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and

(d) the instrument of transfer is in respect of only one class of shares.

Article 41

A reference to a Member shall be a reference to a registered holder of shares in the Company, or where such registered holder is CDP, the Depositors on behalf of whom CDP holds the shares, provided that:

(a) a Depositor shall only be entitled to attend any General Meeting and to speak and vote thereat if his name appears on the Depository Register maintained by CDP forty-eight (48) hours before the General Meeting as a Depositor on whose behalf CDP holds shares in the Company, the Company being entitled to deem each such Depositor, or each proxy of a Depositor who is to represent the entire balance standing to the Securities Account of the Depositor, to represent such number of shares as is actually credited to the Securities Account of the Depositor as at such time, according to the records of CDP as supplied by CDP to the Company, and where a Depositor has apportioned the balance standing to his Securities Account between two proxies, to apportion the said number of shares between the two proxies in the same proportion as previously specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the proportion of Depositor's shareholding specified in the instrument of proxy, or where the balance standing to a Depositor's Securities Account has been apportioned between two proxies the aggregate of the proportions of the Depositor's shareholding they are specified to represent, and the true balance standing to the Securities Account of a Depositor as at the time of the General Meeting, if the instrument is dealt with in such manner as is provided above;

(b) the payment by the Company to CDP of any Dividend payable to a Depositor shall to the extent of the payment discharge the Company from any further liability in respect of the payment;

(c) the delivery by the Company to CDP of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement; and

(d) the provisions in these Articles relating to the transfers, transmissions or certification of shares shall not apply to the transfer of book-entry securities (as defined in the Statutes).

Article 42

Except as required by the Statutes or law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by the Statutes or law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder and nothing in these Articles contained relating to CDP or to Depositors or in any depository agreement made by the Company with any common depository for shares shall in any circumstances be deemed to limit, restrict or qualify the above.

Article 63

In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or, as the case may be, the order in which the names appear in the Depository Register in respect of the joint holding.

Article 64

Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such Member, to vote in person or by proxy at any General Meeting, or to exercise any other right conferred by Membership in relation to General Meetings.

Article 65

No Member shall be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to General Meetings if any call or other sum payable by him to the Company in respect of such shares remains unpaid.

(g) *any change in capital*

Article 10

The Company may by Ordinary Resolution:

(a) consolidate and divide all or any of its share capital;

(b) sub-divide its shares, or any of them, provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be same as it was in the case of the share from which the reduced share is derived;

(c) convert or exchange any class of shares into or for any other class of shares; and/or

(d) cancel the number of shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled.

Article 11

(A) The Company may reduce its share capital or any other undistributable reserve in any manner permitted, and with, and subject to, any incident authorised, and consent or confirmation required, by law.

(B) The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the provisions of the Statutes and any applicable rules of the Designated Stock Exchange (hereafter, the "**Relevant Laws**"), on such terms and subject to such conditions as the Company may in General Meeting prescribe in accordance with the Relevant Laws. Any shares purchased or acquired by the Company as aforesaid shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with the Relevant Laws. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these Articles and the Statutes, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.

(h) any change in the respective rights of the various classes of shares including the action necessary to change the rights

Article 9

(A) Whenever the share capital of the Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, be made either with the consent in writing of the holders of three-quarters of the total number of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these Articles relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two or more persons holding at least one-third of the total number of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him where the class is a class of equity shares within the meaning of Section 64(1) of the Act or at least one vote for every share of the class where the class is a class of preference shares within the meaning of Section 180(2) of the Act, Provided Always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters of the total number of the issued shares of the class concerned within two months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.

(B) The provisions in Article 9(A) shall *mutatis mutandis* apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.

(C) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

(i) dividends and distribution

Article 123

The Company may by Ordinary Resolution declare Dividends but no such Dividend shall exceed the amount recommended by the Directors.

Article 124

If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed Dividends on any class of shares carrying a fixed Dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim Dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

Article 125

Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:

(a) all Dividends in respect of shares must be paid in proportion to the number of shares held by a Member, but where shares are partly paid, all Dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and

(b) all Dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the Dividend is paid.

For the purposes of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.

Article 126

(A) No Dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All Dividends remaining unclaimed after one year from having been first payable may be invested or otherwise made use of by the Directors for the benefit of the Company, and any Dividend or any such moneys unclaimed after six years from having been first payable shall be forfeited and shall revert to the Company provided always that the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the Dividend so forfeited to the person entitled thereto prior to the forfeiture. If CDP returns any such Dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such Dividend or moneys against the Company if a period of six years has elapsed from the date of the declaration of such Dividend or the date on which such other moneys are first payable.

(B) A payment by the Company to CDP of any Dividend or other moneys payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.

Article 127

No Dividend or other monies payable on or in respect of a share shall bear interest as against the Company.

Article 128

(A) The Directors may retain any Dividend or other monies payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(B) The Directors may retain the Dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares herein before contained entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.

Article 129

The waiver in whole or in part of any Dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the Member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

Article 130

The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a Dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises with regard to such distribution, the Directors may settle the same as they think expedient and in particular, may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any Member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

Article 131

Any Dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of the Member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such Member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

Article 132

If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any Dividend or other moneys payable or property distributable on or in respect of the share.

Article 133

Any resolution declaring a Dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the Dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such Dividend of transferors and transferees of any such shares.

(j) *any limitation on the right to own Shares, including limitations on the right of non-resident or foreign Shareholders to hold or exercise voting rights on their Shares*

Article 5

(A) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted by the rules of the Designated Stock Exchange, all new shares shall before issue be offered to such persons who as at the date (as determined by the Directors) of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 5(A).

(B) Notwithstanding Article 5(A) above, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:

(a) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) 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) warrants, debentures or other instruments convertible into shares; and

(b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

Provided that:

(1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Designated Stock Exchange;

(2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Designated Stock Exchange for the time being in force (unless such compliance is waived by the Designated Stock Exchange) and these Articles; and

(3) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).

(C) The Company may, notwithstanding Articles 5(A) and 5(B) above, authorise the Directors not to offer new shares to Members to whom by reason of foreign securities laws, such offers may not be made without registration of the shares or a offer document or other document, but to sell the entitlements to the new shares on behalf of such Members on such terms and conditions as the Company may direct.

Article 34

(A) There shall be no restriction on the transfer of fully paid up shares (except where required by law or by the rules, bye-laws or listing rules of the Designated Stock Exchange) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve, Provided Always that in the event of the Directors refusing to register a transfer of shares, the Company shall within ten market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.

(B) The Directors may decline to register any instrument of transfer unless:

(a) such fee not exceeding $2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require is paid to the Company in respect thereof;

(b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;

(c) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if stamp duty is payable on such instrument of transfer in accordance with any law for the time being in force relating to stamp duty), the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and

(d) the instrument of transfer is in respect of only one class of shares.

Article 42

Except as required by the Statutes or law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by the Statutes or law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder and nothing in these Articles contained relating to CDP or to Depositors or in any depository agreement made by the Company with any common depository for shares shall in any circumstances be deemed to limit, restrict or qualify the above.

APPENDIX D – DESCRIPTION OF RELEVANT LAWS AND REGULATIONS

<u>PRC</u>

PRC legal system

The PRC legal system is based on the PRC Constitution and is made up of written laws, regulations and directives. Decided court cases do not constitute binding precedents.

The National People's Congress of the PRC ("**NPC**") and the Standing Committee of the NPC are empowered by the PRC Constitution to exercise the legislative power of the state. The NPC has the power to amend the PRC Constitution and to enact and amend primary laws governing the state organs, civil and criminal matters. The Standing Committee of the NPC is empowered to interpret, enact and amend laws other than those required to be enacted by the NPC.

The State Council of the PRC is the highest organ of state administration and has the power to enact administrative rules and regulations. Ministries and commissions under the State Council of the PRC are also vested with the power to issue orders, directives and regulations within the jurisdiction of their respective departments. Administrative rules, regulations, directives and orders promulgated by the State Council and its ministries and commissions must not be in conflict with the PRC Constitution or the national laws and, in the event that any conflict arises, the Standing Committee of the NPC has the power to annul such administrative rules, regulations, directives and orders.

At the regional level, the people's congresses of provinces, municipalities and autonomous regions and their standing committees may enact local rules and regulations and the people's governments may promulgate administrative rules and directives applicable to their own administrative areas. These local laws and regulations may not be in conflict with the PRC Constitution, any national laws or any administrative rules and regulations promulgated by the State Council.

Rules, regulations or directives may be enacted or issued at the provincial or municipal level or by the State Council of the PRC or its ministries and commissions in the first instance for experimental purposes. After sufficient experience has been gained, the State Council may submit legislative proposals to be considered by the NPC or the Standing Committee of the NPC for enactment at the national level.

The power to interpret laws is vested by the PRC Constitution in the Standing Committee of the NPC. According to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws passed on 10th June, 1981, the Supreme People's Court has the power to give general interpretation on application of laws in judicial proceedings apart from its power to issue specific interpretation in specific cases. The State Council and its ministries and commissions are also vested with the power to give interpretation of the rules and regulations which they promulgated. At the regional level, the power to give interpretation of regional laws is vested in the regional legislative and administrative organs which promulgate such laws. All such interpretations carry legal effect.

1. Judicial system

The People's Courts are the judicial organs of the PRC. Under the PRC Constitution and the Law of Organisation of the People's Courts of the People's Republic of China, the People's Courts comprise the Supreme People's Court, the local people's courts, military courts and other special people's courts. The local people's courts are divided into three levels, namely, the basic people's courts, intermediate people's courts and higher people's courts. The basic people's courts are divided into civil, criminal, administrative and economic divisions. The intermediate people's courts have divisions similar to those of the basic people's courts and, where the circumstances so warrant, may have other special divisions (such as intellectual property divisions). The judicial functions of people's courts at lower levels are subject to supervision of people's courts at higher levels. The people's procuratorates also have the right to exercise legal supervision over the proceedings of people's courts of the same and lower levels. The Supreme People's Court is the highest judicial organ of the PRC. It supervises the administration of justice by the people's courts of all levels.

The people's courts adopt a two-tier final appeal system. A party may before the taking effect of a judgement or order appeal against the judgement or order of the first instance of a local people's court to the people's court at the next higher level. Judgements or orders of the second instance of the same level and at the next higher level are final and binding. Judgements or orders of the first instance of the Supreme People's Court are also final and binding. If, however, the Supreme People's Court or a people's court at a higher level finds an error in a final and binding judgement which has taken effect in any people's court at a lower level, or the presiding judge of a people's court finds an error in a final and binding judgement which has taken effect in the court over which he presides, a retrial of the case may be conducted according to the judicial supervision procedures.

The PRC civil procedures are governed by the Civil Procedure Law of the People's Republic of China (the "**Civil Procedure Law**") adopted on 9th April, 1991. On 28th October, 2007, the Civil Procedure Law was amended pursuant to a resolution of the Standing Committee of the NPC and came into effect on 1st April 2008. The Civil Procedure Law contains regulations on the institution of a civil action, the jurisdiction of the people's courts, the procedures in conducting a civil action, trial procedures and procedures for the enforcement of a civil judgement or order. All parties to a civil action conducted within the territory of the PRC must comply with the Civil Procedure Law. A civil case is generally heard by a court located in the defendant's place of domicile. The jurisdiction may also be selected by express agreement by the parties to a contract provided that the selection is not contrary to some special requirements of jurisdictions, and the jurisdiction of the people's court selected has some actual connection with the dispute, that is to say, the plaintiff or the defendant is located or domiciled, or the contract was executed or implemented in the jurisdiction selected, or the subject-matter of the proceedings is located in the jurisdiction selected. A foreign national or foreign enterprise is accorded the same litigation rights and obligations as a citizen or legal person of the PRC. If any party to a civil action refuses to comply with a judgement or order made by a people's court or an award made by an arbitration body in the PRC, the aggrieved party may apply to the people's court to enforce the judgement, order or award. There are time limits on the right to apply for such enforcement. Where at least one of the parties to the dispute is an individual, the time limit is one year. If both parties to the dispute are legal persons or other entities, the time limit is six months.

A party seeking to enforce a judgement or order of a people's court against a party who or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of such judgement or order. A foreign judgement or ruling may also be recognised and enforced according to PRC enforcement procedures by the people's courts in accordance with the principle of reciprocity or if there exists an international or bilateral treaty with or acceded to by the foreign country that provides for such recognition and enforcement, unless the people's court considers that the recognition or enforcement of the judgement or ruling will violate fundamental legal principles of the PRC or its sovereignty, security or social or public interest.

2. Arbitration and enforcement of arbitral awards

The Arbitration Law of the PRC (the "**Arbitration Law**") was promulgated by the Standing Committee of the NPC on 31st August, 1994 and came into effect on 1st September, 1995. It is applicable to, among other matters, trade disputes involving foreign parties where the parties have entered into a written agreement to refer the matter to arbitration before an arbitration committee constituted in accordance with the Arbitration Law. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the PRC Civil Procedure Law. Where the parties have by an agreement provided arbitration as a method for dispute resolution, the parties are not permitted to institute legal proceedings in a people's court.

Under the Arbitration Law, an arbitral award is final and binding on the parties and if a party fails to comply with an award, the other party to the award may apply to the people's court for enforcement. A people's court may refuse to enforce an arbitral award made by an arbitration committee if there were mistakes, an absence of material evidence or irregularities over the arbitration proceedings, or the jurisdiction or constitution of the arbitration committee.

A party seeking to enforce an arbitral award of a foreign affairs arbitration body of the PRC against a party who or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognised and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC.

In respect of contractual and non-contractual commercial-law-related disputes which are recognised as such for the purposes of PRC law, the PRC has acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Award ("**New York Convention**") adopted on 10th June, 1958 pursuant to a resolution of the Standing Committee of the NPC passed on 2nd December, 1986. The New York Convention provides that all arbitral awards made by a state which is a party to the New York Convention shall be recognised and enforced by other parties to the New York Convention subject to their right to refuse enforcement under certain circumstances including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the Standing Committee of the NPC at the time of the accession of the PRC that (1) the PRC would only recognise and enforce foreign arbitral awards on the principle of reciprocity and (2) the PRC would only apply the New York Convention in disputes considered under PRC laws to be arising from contractual and non-contractual mercantile legal relations.

3. Taxation

The applicable income tax laws, regulations, notices and decisions (collectively referred to as "**Applicable Foreign Enterprises Tax Law**") related to foreign investment enterprises and their investors include the follows:

(1) Income Tax Law of the PRC on Foreign Investment Enterprises and Foreign Enterprises adopted by the NPC on 9th April, 1991;

(2) Implementing Rules of the Income Tax Law of the PRC on Foreign Investment Enterprises and Foreign Enterprises promulgated by the State Council, which came into effect on 1st July, 1991;

(3) Notice Relating to Taxes Applicable to Foreign Investment Enterprises / Foreign Enterprises and Foreign Nationals in Relation to Dividends and Gains obtained from Holding and Transferring of Shares promulgated by State Tax Bureau on 21 July 1993;

(4) Amendments to the Income Tax Law Applicable to Individuals of the PRC promulgated by Standing Committee of NPC on 31 October 1993;

(5) Notice on Relevant Policies Concerning Individual Income Tax issued by Ministry of Finance and the State Tax Bureau on 13 May 1994;

(6) Notice on Reduction of Income Tax in Relation to Interests and Gains Derived by Foreign Enterprises from the PRC, promulgated by the State Council on 18 November 2000; and

(7) The Enterprise Income Tax Law adopted by the NPC on 16 March 2007.

(a) Income tax on foreign investment enterprises

According to the Applicable Foreign Enterprises Tax Law, foreign investment enterprises (including sino-foreign equity joint ventures, sino-foreign co-operative joint ventures and wholly foreign owned enterprises established in the territory of the PRC) are required to pay a national income tax at a rate of 30% of their taxable income and a local income Tax at a rate of three per cent. of their taxable income.

A foreign investment enterprise engaged in production having a period of operation of not less than 10 years shall be exempted from national income tax for the first two profit-making years and a 50% reduction in the national income tax payable for the next three(3) years. The income tax concession for foreign investment enterprises engaged in the exploitation of resources such as petroleum, natural gas, rare metals and precious metals are regulated separately by the State Council.

Foreign investment enterprises established in special economic zones, foreign enterprises having an establishment in special economic zones engaged in production or business operations and foreign investment enterprises engaged in production in economic and technological zones may pay national income tax at a reduced rate of 15%. Foreign investment enterprises engaged in production established in coastal economic open zones or in the old urban districts of cities where the special economic zones or the economic and technological development zones are located may pay national income taxes at a reduced rate of 24%. A reduced national income tax rate of 15 per cent, may apply to an enterprise located in such regions which is engaged in energy, communication, harbour, wharf or other projects encouraged by the State.

Losses incurred in a tax year may be carried forward for not more than five years.

The people's governments of provinces, autonomous regions and municipalities directly under the central government may grant exemptions from or reduce local income tax for a foreign investment enterprise engaged in an industry or a pt encouraged by the State.

Pursuant to the new Enterprise Income Tax Law which was adopted by the NPC on 16 March 2007 and which takes effect on 1 January 2008, the PRC Statutory income tax shall be at a uniform rate of 25% for all enterprises. Enterprises set up with approval prior to the promulgation of this Law that enjoy low preferential tax rate in accordance with the tax laws and administrative regulations at the current period may, pursuant to the provisions of the State Council, gradually transit to the tax rate provided herein within five years of the implementation of this Law. Where such enterprises enjoy regular tax exemption and reduction, the treatment continues to apply until expiry after the implementation of this Law. However, those that fail to be entitled to this treatment by reason of not making any profit, the preferential period shall be calculated from the year this Law is implemented.

(b) Value added tax

The Provisional Regulations of the People's Republic of China Concerning Value Added Tax promulgated by the State Council came into effect on 1st January, 1994. Under these regulations and the Implementing Rules of the Provisional Regulations of the People's Republic of China Concerning Value Added Tax, value added tax is imposed on goods sold in or imported into the PRC and on processing, repair and replacement services provided within the PRC.

Value added tax payable in the PRC is charged on an aggregated basis at a rate of 13 or 17% (depending on the type of goods involved) on the full price collected for the goods sold or, in the case of taxable services provided, at a rate of 17% on the charges for the taxable services provided but excluding, in respect of both goods and services, any amount paid in respect of value added tax included in the price or charges, and less any deductible value added tax already paid by the taxpayer on purchases of goods and service in the same financial year.

(c) Business tax

With effect from 1st January, 1994, business that provides services, assigns intangible assets or sells immovable property became liable to business tax at a rate ranging from three to .twenty percent per cent. of the charges of the services provided, intangible assets assigned or immovable property sold, as the case may be.

(d) Tax on dividends from PRC enterprise with foreign investment

According to the Applicable Foreign Enterprises Tax Law, income such as rental, royalty and profits from the PRC derived by a foreign enterprise which has no establishment in the PRC or has establishment but the income has no relationship with such establishment is subject to a 10% withholding tax, subject to reduction as provided by any applicable double taxation treaty, unless the relevant income is specifically exempted from tax under the Applicable Foreign Enterprises Tax Law. The profit derived by a foreign investor from a PRC enterprise with foreign investment is exempted from PRC withholding tax according to the Applicable Foreign Enterprises Tax Law.

4. Wholly foreign-owned enterprise

Wholly foreign-owned enterprises are governed by the Law of the people's Republic of China Concerning Enterprises with Sole Foreign Investments, which was promulgated on 12th April, 1986 and amended on 31 October 2000, and its Implementation Regulations promulgated on 12th December, 1990 and amended on 12 April 2001 (together the "**Foreign Enterprises Law**").

(a) Procedures for establishment of a wholly foreign-owned enterprise

The establishment of a wholly foreign-owned enterprise will have to be approved by the MOC (or its delegated authorities). If two (2) or more foreign investors jointly apply for the establishment of a wholly foreign-owned enterprise, a copy of the contract between the parties must also be submitted to the MOC (or its delegated authorities) for its record. A wholly foreign-owned enterprise must also obtain a business licence from the SAIC before it can commence business.

(b) Nature

A wholly foreign-owned enterprise is a limited liability company under the Foreign Enterprises Law. It is a legal person which may independently assume civil obligations, enjoy civil rights and has the right to own, use and dispose of property. It is required to have a registered capital contributed by the foreign investor(s). The liability of the foreign investor(s) is limited to the amount of registered capital contributed. A foreign investor may make its contributions by instalments and the registered capital must be contributed within the period as approved by the MOC (or its delegated authorities) in accordance with relevant regulations.

(c) Profit distribution

The Foreign Enterprise Law provides that after payment of taxes, a wholly foreign-owned enterprise must make contributions to a reserve fund, a enterprise development fund and an employee bonus and welfare fund. The allocation ratio for the employee bonus and welfare fund may be determined by the enterprise. However, at least 10 per cent. of the after tax profits must be allocated to the reserve fund. If the cumulative total of allocated reserve funds reaches 50% of an enterprise's registered capital, the enterprise will not be required to make any additional contribution. The reserve fund may be used by a wholly foreign-owned enterprise to make up its losses and with the consent of the examination and approval authority, can also be used to expand its production operations and to increase its capital. The enterprise is prohibited from distributing dividends unless the losses (if any) of previous years have been made up. The development fund is used for expanding the capital base of the company by way of capitalisation issues. The employee bonus and welfare fund can only be used for the collective benefit and facilities of the employees of the wholly foreign-owned enterprise.

5. Environmental Protection Regulations

In accordance with the Environmental Protection Law of the PRC adopted by the Standing Committee of the NPC on 26th December, 1989, the bureau of environmental protection of the State Council sets the national guidelines for the discharge of pollutants. The provincial and municipal governments of provinces, autonomous regions and municipalities may also set their own guidelines for the discharge of pollutants within their own provinces or districts in the event that the national guidelines are inadequate.

A company or enterprise which causes environmental pollution and discharges other polluting materials which endanger the public should implement environmental protection methods and procedures into their business operations. This may be achieved by setting up a system of accountability within the company's business structure for environmental protection; adopting effective procedures to prevent environmental hazards such as waste gases, water and residues, dust powder, radioactive materials and noise arising from production, construction and other activities from polluting and endangering the environment. The environmental protection system and procedures should be implemented simultaneously with the commencement of and during the operation of construction, production and other activities undertaken by the company. Any company or enterprise which discharges environmental pollutants should report and register such discharge with relevant bureaus of environmental protection and pay any fines imposed for the discharge. A fee may also be imposed on the company for the cost of any work required to restore the environment to its original state. Companies which have caused severe pollution to the environment are required to restore the environment or remedy the effects of the pollution within a prescribed time limit.

If a company fails to report and/or register the environmental pollution caused by it, it will receive a warning or be penalised. Companies which fail to restore the environment or remedy the effects of the pollution within the prescribed time will be penalised or have their business licences terminated. Companies or enterprises which have polluted and endangered the environment must bear the responsibility for remedying the danger and effects of the pollution, as well as to compensate any losses or damages suffered as a result of such environmental pollution.

6. Foreign Exchange Controls

Major reforms have been introduced to the foreign exchange control system of the PRC since 1993.

On 28 December 1993, the People's Bank of China ("**PBOC**"), with the authorisation of the State Council issued the Notice on Further Reform of the Foreign Exchange Control System which came into effect on 1 January 1994. Other new regulations and implementation measures include the Regulations on the Foreign Exchange Settlement, Sale and Payments which were promulgated on 20 June 1996 and took effect on 1 July 1996 and which contain detailed provisions regulating the settlement, sale and payment of foreign exchange by enterprises, individuals, foreign organisations and visitors in the PRC and the Regulations of the PRC on the management of Foreign Exchanges which were promulgated on 29 January 1996 and took effect on 1 April 1996 and which contain detailed provisions in relation to foreign exchange control. On 1 August 2008, the Regulations of the PRC on Management of Foreign Exchange was amended pursuant to a resolution of the State Council of China and came into effect on 5 August 2008.

The foreign exchange earnings of all PRC enterprises, other than those foreign investment enterprises ("**FIE**"), who are allowed to retain a part of their regular foreign exchange earnings or specifically exempted under the relevant regulations, are to be sold to designated banks. Foreign exchange earnings obtained from borrowings from foreign institutions or issues of shares or bonds denominated in foreign currency need not be sold to designated banks, but must be kept in foreign exchange bank accounts of designated banks unless specifically approved otherwise.

At present, control of the purchase of foreign exchange is relaxed. Enterprises within the PRC which require foreign exchange for their ordinary trading and non-trading activities, import activities and repayment of foreign debts may purchase foreign exchange from designated banks if the application is supported by the relevant documents. Furthermore, FIEs may distribute profit to their foreign investors with funds in their foreign exchange bank accounts kept with designated banks. Should such foreign exchange be insufficient, enterprises may purchase foreign exchange from designated banks upon the presentation of the resolutions of the directors on the profit distribution plan of the particular enterprise.

On October 21, 2005, SAFE promulgated the Notice of the State Administration of Foreign Exchange on Relevant Issues concerning Foreign Exchange Administration for Domestic Residents to Engage in Financing and in Return Investment via Overseas Special Purpose Companies (the "**No.75 Circular**"). The No. 75 Circular provides that before the PRC residents set up or control the oversea special-purpose companies, he shall go through the foreign exchanges registration procedures for oversea investment with local foreign exchange control bureaus. Where the PRC residents input his assets or equity of domestic enterprise into the special-purpose companies or raise overseas equity funding after inputting into special-purpose companies, he shall go through the foreign exchange modification procedures for overseas investment with respect to the interest of net assets of special-purpose companies or its changes. Where the special-purpose company returns investment or provide the shareholder loan to the domestic enterprise or other debts funds, such domestic enterprise shall go through the relevant foreign exchange procedures in accordance with the PRC laws and regulationes. The No. 75 Circular came into force on November 1, 2005, and at the same time, the Circular of the State Administration of Foreign Exchange Concerning Relevant Issues on Improving Foreign Exchange Administration for Merger and Acquisitions with Foreign Entities, which was promulgated on January 24, 2005, and the Notice concerning the Relevant Issues for the Registration of Overseas Investments by Domestic Residents and Foreign Exchange Registration for Foreign Acquisition, which was promulgated on 8 April 2005, both ceased to be effective.

7. Laws relating to the Provision of Foreign Debt

The Administration of Foreign Debts Tentative Procedures relating to foreign debt issued by the the State Development Planning Commission (SDPC), Ministry of Finance of the PRC and State Administration of Foreign Exchange was promulgated on 8th January, 2003 and came into force on 1st March 2003. Foreign debts shall refer to the debts denominated in foreign currencies for which domestic institutions are liable to non-residents. The sum of the cumulative amount of medium and long term foreign debts and the balance of short term foreign debts borrowed by foreign invested enterprises shall be controlled within the difference between the total amount of investment and the registered capital for the project as approved by the examination and approval authority. Foreign invested enterprises may borrow foreign debts on their own within the scope of the said difference. If it exceeds the difference, the total amount of investment for the project shall be verified by the original examination and approval authority. After signing loan contracts or security contracts with non-residents, domestic institutions shall handle registration procedures with the foreign exchange control authorities according to the relevant provisions. Contracts of international commercial loan or security contracts shall become effective only upon registration. Where a domestic institution fails to handle the required examination and approval procedures or register according to provisions when it borrows foreign debts or provides security to non-residents, the loan contract or security contract it signed with foreign entities shall not have any legally binding force.

Malaysia

1. Exchange Controls in Malaysia

Local and foreign investors are subject to Foreign Exchange Administration Rules in Malaysia. The rules are aimed to influence capital flows and facilitate currency risk management to promote financial and economic stability of Malaysia. These rules are reviewed regularly by Bank Negara Malaysia, the central bank of Malaysia, in line with the changing environment. Major foreign exchange administration policies have been liberalised and simplified over the past few years since 1 April 2003, to promote efficiency of business operations in Malaysia and better risk management of investments. A foreign investor is free to purchase any Ringgit Malaysia equity whether listed or not on the Malaysian stock exchange and there are no restrictions in place on repatriation of capital, profits and income earned from Malaysia including dividends, rental, fees and interests. Such repatriation however, must be made in foreign currency other than the currency of the State of Israel.

Bank Negara Malaysia requires the completion of a prescribed form and documentary evidence to be furnished to the remitting banks for any remittance or payment by a resident in foreign currency to a non-resident equivalent to RM201,000 or more.

2. **Manufacturing Licence Issued by Malaysian Industrial Development Authority**

Malaysia's manufacturing sector is governed by the Malaysia's Industrial Co-ordination Act 1975 ("**ICA**"). Although the ICA provides that *"no person shall engage in any manufacturing activity unless he is issued a licence in respect of such manufacturing activity"*, the Malaysian Industrial Development Authority ("**MIDA**") (which is an agency of Ministry of International Trade and Industry ("**MITI**"), in charge of the promotion and co-ordination of industrial development in Malaysia) has published guidelines which state that a manufacturing company would only need to obtain a manufacturing licence from MITI if:

(a) its shareholders' funds (which is an aggregate amount of paid-up capital, reserves, balance of share premium account and balance of profit and loss appropriation account) is RM2.5 million and above; or

(b) it engages 75 or more full time paid employees (means those working for at least 6 hours a day and at least 20 days a month for 12 months during the year and receive salary).

Therefore, although Jubilee is carrying out manufacturing activity, it is currently exempted from obtaining a manufacturing licence because it does not fulfil any of the above criteria.

3. **Environmental Regulations**

Environmental regulations are in place which specify the acceptable conditions for the emission, discharge or deposit of environmentally hazardous substances, pollutants or wastes or the emission of noise into any area. A person needs to be licensed under the Environmental Quality Act 1974 before it is allowed to contravene any of those acceptable conditions.

Any disposal of waste materials and sludge resulting from manufacturing processes is regulated by the Environmental Quality (Scheduled Wastes) Regulations, 2005.

We believe that our existing manufacturing operations do not contravene any of the acceptable conditions for the emission, discharge or deposit of environmentally hazardous substances, pollutants or wastes or the emission of noise into any area, imposed by the various regulations under the Environmental Quality Act 1974.

Further, we believe that our current manufacturing processes do not produce any wastes or sludges which fall under the category of 'scheduled wastes' in the Environmental Quality (Scheduled Wastes) Regulations, 2005.

4. **Factories and Machineries Act 1967**

Section 36 (1) of the Factories and Machineries Act 1967 ("**FMA**") provides that no person shall install or caused to be installed any machinery in any factory except with the prior approval of the Inspector of Factories and Machinery.

Jubilee has obtained an approval for the installation of the machinery, details of which are as stated in Jubilee's application form dated 6 February 2008 in respect of factory at No. 11, Jalan Gemilang 3, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor through a letter issued by Department of Occupational Safety and Health of Johor, Ministry of Human Resources (Jabatan Keselamatan dan Kesihatan Pekerjaan Johor, Kementerian Sumber Manusia) dated 18 February 2008 (Ref.: JH20081577(PIM/2/08/176).

Jubilee has obtained an approval for the installation of the machinery, details of which are as stated in Jubilee's application form dated 28 October 2008, in respect of factory at No. 10, Jalan Istimewa 7, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor through a letter issued by Department of Occupational Safety and Health of Johor, Ministry of Human Resources (Jabatan Keselamatan dan Kesihatan Pekerjaan Johor, Kementerian Sumber Manusia) dated 7 November 2008 (Ref.: JH200813463 (PIM/10/08/1766).

Under Section 19 of the FMA, if a machine has been prescribed to be a machine that requires a certificate of fitness, it cannot be operated without a certificate of fitness. None of the machinery currently installed in the abovementioned factories in Malaysia require any certificate of fitness.

5. Other Licences

In order to carry out business in Malaysia, we are required to apply for and obtain certain licences, such as business premises licence and advertising licence, from the local government of the district or municipality in which our business is carried out. Jubilee has been issued with a Business Premises Licence/Advertisement (Account No.: L 0 227050091) for carrying out metal moulding business at No. 11, Jalan Gemilang 3, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor, and a Business Premises Licence/Advertisement (Account No.: L0227070170) for carrying out plastic moulding business at No. 10, Jalan Istimewa 7, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor. Both licences are issued by the Johor Bahru Tengah Municipal Council (Majlis Perbandaran Johor Bahru Tengah).

our awards and certifications

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