

CIRCULAR DATED 29 SEPTEMBER 2015

THIS CIRCULAR IS ISSUED BY CHOSEN HOLDINGS LIMITED. THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATIONS OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) OF CHOSEN HOLDINGS LIMITED AND THE ADVICE OF CIMB BANK BERHAD, SINGAPORE BRANCH TO THE INDEPENDENT DIRECTORS OF CHOSEN HOLDINGS LIMITED. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Chosen Holdings Limited, you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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



CHOSEN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199804325C)

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL CASH OFFER

by

SOUTHSHORE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201530037K)

to acquire all the issued and paid-up ordinary shares (excluding treasury shares)
in the capital of Chosen Holdings Limited,
other than those already owned, controlled or agreed to be acquired
by Southshore Pte. Ltd. ("Offeror") as at the date of the Offer (as defined herein)

Independent Financial Adviser to the Independent Directors



**CIMB BANK BERHAD (13491-P)
SINGAPORE BRANCH**

(Incorporated in Malaysia)

SHAREHOLDERS SHOULD NOTE THAT THE OFFEROR HAS ANNOUNCED ON 18 SEPTEMBER 2015 THAT THE OFFER WILL CLOSE AT 5.30 P.M. ON 27 OCTOBER 2015 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR.

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

“Acceptances Threshold”	:	Has the meaning ascribed to it in section 2.6 of this Circular
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 29 September 2015 in relation to the Offer
“Closing Date”	:	5.30 p.m. on 27 October 2015, or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Offer
“Code”	:	The Singapore Code on Take-overs and Mergers
“Committed Shares”	:	Has the meaning ascribed to it in the extract set out in section 3 of this Circular
“Companies Act”	:	Companies Act, Chapter 50 of Singapore
“Company”	:	Chosen Holdings Limited
“Company Convertible Securities”	:	Convertible securities, warrants, options and derivatives in respect of Shares or securities which carry voting rights in the Company
“CPF”	:	Central Provident Fund
“CPFIS”	:	Central Provident Fund Investment Scheme
“CPFIS Investors”	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
“Directors”	:	The directors of the Company (including the Independent Directors) as at the Latest Practicable Date
“Encumbrance”	:	All claims, liens, equities, mortgages, charges, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever
“FAA”	:	Form of Acceptance and Authorisation, which forms part of the Offer Document and which is issued to Shareholders whose Shares are deposited with CDP
“FAT”	:	Form of Acceptance and Transfer, which forms part of the Offer Document and which is issued to Shareholders whose Shares are not deposited with CDP
“FY”	:	Financial year ended 30 June
“Group”	:	The Company and its subsidiaries
“IFA”	:	CIMB Bank Berhad, Singapore Branch

DEFINITIONS

“IFA Letter”	:	Letter dated 29 September 2015 from the IFA to the Independent Directors in relation to the Offer, as set out in Appendix 1 to this Circular
“Independent Directors”	:	The Directors who are independent for the purpose of making recommendations to the Shareholders in respect of the Offer, namely Mr Aloysius Lim Cher Kia, Mr Chow Kok Hwee, Ms Soong Wee Choo, Mr Chew Heng Ching, Mr Chow Kok Kee and Mr Henry Tan Song Kok
“Irrevocable Undertaking”	:	Has the meaning ascribed to it in the extract set out in section 3 of this Circular
“Latest Practicable Date”	:	22 September 2015, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The listing manual of the Main Board of the SGX-ST
“Offer”	:	The voluntary conditional cash offer made by the Offeror to acquire the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, as such offer may be amended, extended or revised from time to time by or on behalf of the Offeror
“Offer Announcement”	:	The announcement of the Offer released by the Offeror on the Offer Announcement Date
“Offer Announcement Date”	:	1 September 2015, being the date of announcement of the Offer
“Offer Document”	:	The offer document dated 15 September 2015 issued by the Offeror in respect of the Offer and any other document(s) which may be issued by or on behalf of the Offeror to amend, revise, supplement or update such document(s) from time to time
“Offer Price”	:	S\$0.24 in cash for each Offer Share
“Offer Shares”	:	All the Shares to which the Offer relates, as more particularly defined in section 2.3 of the Offer Document, which section is set out in section 2.3 of this Circular
“Offeror”	:	Southshore Pte. Ltd.
“Offeror Convertible Securities”	:	Convertible securities, warrants, options and derivatives in respect of Offeror Shares or securities which carry voting rights in the Offeror
“Offeror Shares”	:	Shares in the capital of the Offeror
“Overseas Shareholder”	:	Has the meaning ascribed to it in the extract set out in section 11 of this Circular
“Scheme”	:	Chosen Holdings Limited Performance Share Award Scheme, as approved by Shareholders at an extraordinary general meeting on 25 October 2010, the terms and conditions of which are contained in the circular to Shareholders dated 30 September 2010

DEFINITIONS

“SFA”	:	Securities and Futures Act, Chapter 289 of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Award”	:	a contingent award of Shares under the Scheme
“Shareholders”	:	Holders of Shares, including persons whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST
“Shares”	:	Issued and paid-up ordinary shares in the capital of the Company
“SIC”	:	Securities Industry Council of Singapore
“Undertaking Shareholders”	:	The persons who have given the Irrevocable Undertakings and as identified in the extract set out in Section 3 of this Circular
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
“%”	:	Percentage or per centum

Unless otherwise defined, the term “acting in concert” shall have the meaning ascribed to it in the Code.

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

The term “subsidiary” shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one gender shall include the other gender. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the Listing Manual or the Code or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Listing Manual or the Code or any modification thereof, as the case may be, unless the context otherwise requires.

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

Any discrepancies in the figures in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, the figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

CHOSEN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199804325C)

Board of Directors:

Mr Aloysius Lim Cher Kia (*Executive Chairman*)
Mr Chow Kok Hwee (*Executive Director and Chief Executive Officer*)
Ms Soong Wee Choo (*Executive Director and Chief Financial Officer*)
Mr Chew Heng Ching (*Independent Director*)
Mr Chow Kok Kee (*Independent Director*)
Mr Henry Tan Song Kok (*Independent Director*)

Registered Office:

No. 17 Woodlands Terrace
Woodlands East Industrial Estate
Singapore 738442

29 September 2015

To: The Shareholders of Chosen Holdings Limited

Dear Shareholders

VOLUNTARY CONDITIONAL CASH OFFER FOR CHOSEN HOLDINGS LIMITED

1. INTRODUCTION

1.1 Offer Announcement

On 1 September 2015, the Offeror announced, *inter alia*, that it intends to make the Offer. A copy of the Offer Announcement is available on the website of the SGX-ST at www.sgx.com.

1.2 Offer Document

Shareholders should by now have received a copy of the Offer Document issued by the Offeror, setting out, *inter alia*, the terms and conditions of the Offer. Shareholders are advised to read the Offer Document carefully. A copy of the Offer Document is available on the website of the SGX-ST at www.sgx.com.

1.3 Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Company and to set out the recommendations of the Independent Directors and the advice of the IFA to the Independent Directors with regard to the Offer.

2. THE OFFER

2.1 Offer Price

According to section 2.1 of the Offer Document, the Offeror makes the Offer to acquire the Offer Shares in accordance with Section 139 of the SFA and Rule 15 of the Code, on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, and on the following basis:

For each Offer Share: S\$0.24 in cash

2.2 No Revision of Offer Price

Section 2.2 of the Offer Document states that the Offeror does not intend to revise the Offer Price.

LETTER TO SHAREHOLDERS

2.3 Offer Shares

Section 2.3 of the Offer Document states that the Offer will be made for all Shares, other than those already owned, controlled or agreed to be acquired by the Offeror. For the avoidance of doubt, the Offer will be extended, on the same terms and conditions, to all Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror in connection with the Offer.

2.4 Share Awards

According to section 2.4 of the Offer Document:

Under the rules of the Scheme, the Share Awards are not transferable unless the prior approval of the committee administering the Scheme is obtained. In view of this restriction, the Offeror is not making an offer to acquire the Share Awards.

For the avoidance of doubt, the Offer is extended on the same terms and conditions to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any outstanding convertible securities validly issued by the Company or the vesting of any such Share Awards on or prior to the Closing Date.

For the purpose of the Offer, the expression “**Offer Shares**” shall include the Shares issued or to be issued pursuant to the valid exercise of any such outstanding convertible securities or the vesting of any such Share Awards on or prior to the Closing Date.

2.5 No Encumbrances

According to section 2.5 of the Offer Document:

The Offer Shares will be acquired (a) fully-paid, (b) free from all Encumbrances, and (c) together with all rights, benefits, entitlements and advantages attached to them as at the Offer Announcement Date, and thereafter attaching to them (including the right to receive and retain all dividends, rights, returns of capital and other distributions (if any) which may be announced, declared, made or paid thereon by the Company on or after the Offer Announcement Date). If any dividend, right, return of capital or other distribution is announced, declared, made or paid by the Company on or after the Offer Announcement Date, the Offeror reserves its right to reduce the Offer Price by the amount of such dividend, right, return of capital or other distribution.

In this connection, and in the event that the Offeror becomes a shareholder of the Company on or before the date that shareholders’ approval is sought for the payment of any dividends of the Company (including the payment of a final dividend of S\$0.0083 per Share to be considered at the upcoming 17th annual general meeting of the Company), the Offeror intends to exercise all voting rights attached to the Shares held by it against any resolution to approve the payment of such dividends.

2.6 Condition of the Offer

According to section 2.6 of the Offer Document:

The Offer is conditional upon the Offeror having received, by the Closing Date, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with the Offeror holding such number of Shares carrying more than 50% of the voting rights attributable to the issued Shares in the capital of the Company (excluding any Shares held in treasury) as at the Closing Date (including any voting rights attributable to the Shares unconditionally issued or to be issued pursuant to the vesting of any Share Awards prior to the Closing Date) (“**Acceptances Threshold**”).

LETTER TO SHAREHOLDERS

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the Closing Date, unless at any time prior to the Closing Date, the Offeror has received valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with the Offeror holding such number of Shares carrying more than 50% of the voting rights attributable to the maximum potential issued Shares in the capital of the Company.

For this purpose, the “**maximum potential issued Shares in the capital of the Company**” means the total number of Shares which would be in issue had all outstanding convertible securities which are exercisable prior to the Closing Date been validly exercised and all the Share Awards become vested as at the date of such declaration, excluding any Shares held in treasury.

The Offer is unconditional in all other respects.

As stated in section 3.2 of the Offer Document, the aggregate number of Committed Shares held by the Undertaking Shareholders amount to 143,658,044 Shares, representing approximately 50.99% of the Shares in issue (excluding treasury shares) as at the latest practicable date stated in the Offer Document. Upon receipt of valid acceptances from the Undertaking Shareholders pursuant to the Irrevocable Undertakings, the Acceptances Threshold will be fulfilled and the Offer will be declared unconditional in all respects.

On 18 September 2015, the Offeror announced, *inter alia*, that:

As at 5.00 p.m. on 18 September 2015, the Offeror has received valid acceptances (which have not been withdrawn) of the Offer in respect of 148,139,153 Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (either before or during the Offer and pursuant to the Offer or otherwise), results in the Offeror and parties acting in concert with the Offeror holding such number of Shares carrying more than 50% of the voting rights attributable to the maximum potential issued Shares in the capital of the Company.

ACCORDINGLY, THE OFFER HAS BECOME UNCONDITIONAL AS TO ACCEPTANCES AND IS DECLARED UNCONDITIONAL IN ALL RESPECTS ON THE DATE OF THE ANNOUNCEMENT.

The valid acceptances include valid acceptances received from the Undertaking Shareholders, namely Aloysius Lim Cher Kia, Soong Wee Choo, Chow Kok Hwee, Wang Chew Hoon and Ang Lay Chuan, and ALBE Holdings Pte Ltd in respect of 143,447,044 Shares, representing approximately 50.92% of the total issued Shares.

Pursuant to Rule 22.6 of the Code, as the Offer has become unconditional as to acceptances, the Offer will remain open for acceptance until 5.30 p.m. (Singapore time) on 27 October 2015, being not less than 14 days after 13 October 2015 (the first closing date stated in the Offer Document), or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

2.7 Warranty

Section 2.7 of the Offer Document states that a Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to have unconditionally and irrevocably warranted that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof, (a) fully paid, (b) free from all Encumbrances, and (iii) together with all rights, benefits, entitlements and advantages attached to them as at the Offer Announcement Date, and thereafter attaching to them (including the right to receive and retain all dividends, rights, returns of capital and other distributions (if any) which may be announced, declared, made or paid thereon by the Company on or after the Offer Announcement Date).

LETTER TO SHAREHOLDERS

2.8 Details of the Offer

Information on the duration of the Offer is set out in paragraph 1 of Appendix A of the Offer Document, an extract of which is set out in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“1. DURATION OF THE OFFER

1.1 First Closing Date. *The Offer is open for acceptance by Shareholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder. Accordingly, the Offer will close at 5.30 p.m. on 13 October 2015 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.*

1.2 Subsequent Closing Date(s). *Pursuant to Rule 22.4 of the Code, if the Offer is extended and:*

- (a) is not unconditional as to acceptances as at the date of such extension, the announcement of the extension must state the next Closing Date; or*
- (b) is unconditional as to acceptances as at the date of such extension, the announcement of the extension need not state the next Closing Date but may state that the Offer will remain open until further notice. In such a case, the Offeror must give Shareholders at least 14 days' prior notice in writing before it may close the Offer.*

1.3 No Obligation to Extend the Offer. *The Offeror is not obliged to extend the Offer if the condition specified in section 2.6 (Condition of the Offer) of this Offer Document is not fulfilled by the Closing Date(s).*

1.4 Offer to Remain Open for 14 Days after Being Declared Unconditional as to Acceptances. *Pursuant to Rule 22.6 of the Code, if the Offer becomes or is declared to be unconditional as to acceptances, the Offer will remain open for acceptance for a period of not less than 14 days after the date on which it would otherwise have closed (“Rule 22.6 Period”), in order to give Shareholders who have not accepted the Offer the opportunity to do so.*

This requirement does not apply if, before the Offer has become or is declared unconditional as to acceptances, the Offeror has given Shareholders at least 14 days' notice in writing before the specified Closing Date that the Offer will not be open for acceptance beyond that date (“Shut-Off Notice”), provided that:

- (a) the Offeror may not give a Shut-Off Notice in a competitive situation; and*
- (b) the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.*

If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with Rule 28.1 of the Code, the Rule 22.6 Period will run from the date of such confirmation or the date on which the Offer would otherwise have closed, whichever is later.

1.5 Final Day Rule. *Pursuant to Rule 22.9 of the Code, the Offer (whether revised or not) will not be capable of:*

- (a) becoming or being declared unconditional as to acceptances after 5.30 p.m. on the 60th day after the Despatch Date; or*
- (b) being kept open after the expiry of such 60-day period unless it has previously become or been declared to be unconditional as to acceptances,*

LETTER TO SHAREHOLDERS

provided that the Offeror may extend the Offer beyond such 60-day period with the SIC's prior approval. The SIC will normally grant such permission in circumstances including but not limited to where a competing offer has been announced.

- 1.6 **Revision.** The Offeror does not intend to revise the Offer Price. However, pursuant to Rule 20.1 of the Code, if the Offer is revised, the Offer will remain open for acceptance for at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including those who had previously accepted the Offer.
- 1.7 **Time for Fulfilment of Other Conditions.** Except with the consent of SIC, all conditions of the Offer must be fulfilled or the Offer must lapse within 21 days of the first Closing Date or the date the Offer becomes or is declared unconditional as to acceptances, whichever is the later. The only condition to the Offer is set out in section 2.6 of this Offer Document."

As stated in section 2.6 of this Circular, as the Offer has become unconditional as to acceptances, the Offer will remain open for acceptance until **5.30 p.m. (Singapore time) on 27 October 2015**, being not less than 14 days after 13 October 2015 (the first closing date stated in the Offer Document), or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Further details on (a) the duration of the Offer; (b) the settlement of the consideration for the Offer; (c) the requirements relating to the announcement of the level of acceptances of the Offer; and (d) the right of withdrawal of acceptances of the Offer, are set out in Appendix A of the Offer Document.

2.9 Procedures for Acceptance

Appendix B of the Offer Document sets out the procedures for acceptance of the Offer.

3. IRREVOCABLE UNDERTAKINGS

Section 3 of the Offer Document sets out information on the Irrevocable Undertakings, an extract of which is set out in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

- "3.1 As at the Latest Practicable Date, the Offeror has received irrevocable undertakings (each, an **"Irrevocable Undertaking"** and collectively, the **"Irrevocable Undertakings"**) from the Undertaking Shareholders to accept the Offer in respect of all the Shares legally and/or beneficially owned by each Undertaking Shareholder respectively (**"Committed Shares"**).

Name of Undertaking Shareholder	Number of Committed Shares	Percentage of Shares as at Latest Practicable Date⁽¹⁾
<i>Aloysius Lim Cher Kia⁽²⁾⁽³⁾</i>	118,110,626	41.92%
<i>Soong Wee Choo</i>	1,635,861	0.58%
<i>Chow Kok Hwee</i>	6,605,261	2.34%
<i>Wang Chew Hoon</i>	12,217,000	4.34%
<i>Ang Lay Chuan</i>	5,089,296	1.81%
Total	143,658,044	50.99%

Notes:

- (1) Based on 281,721,327 Shares (excluding treasury shares) as at the Latest Practicable Date as reflected in the electronic instant information search results from ACRA in respect of the Company as at the Latest Practicable Date. The figures are rounded to the nearest two decimal places.

LETTER TO SHAREHOLDERS

- (2) As at the Latest Practicable Date, Aloysius Lim Cher Kia has a direct interest in 26,498,882 Shares. His indirect interest comprises 91,611,744 Shares held by ALBE Holdings Pte Ltd ("**ALBE**"), a company in which he is a director and in which he holds 51% of the total issued ordinary shares and 100% of the preference shares in the capital of ALBE. Aloysius Lim Cher Kia is therefore deemed interested in the Shares held by ALBE, by virtue of section 7 of the Companies Act (Cap. 50). Aloysius Lim Cher Kia and ALBE are also persons acting in concert with each other under the Code.
- (3) Pursuant to the Irrevocable Undertaking given by Aloysius Lim Cher Kia, he has undertaken to accept and or procure the acceptance of the Offer in respect of (a) the Shares held directly by him; and (b) the Shares held directly by ALBE. Please refer to sections 3.3 and 3.4 below for further details.
- 3.2 Pursuant to the Irrevocable Undertakings, the aggregate number of Committed Shares held by the Undertaking Shareholders amounts to 143,658,044 Shares, representing approximately 50.99% of the Shares in issue (excluding treasury shares) as at the Latest Practicable Date¹.
- 3.3 Each Undertaking Shareholder has, pursuant to their respect Irrevocable Undertakings, undertaken to, amongst other things:
- (a) accept or procure the acceptance of, the Offer in respect of:
- (i) all their Shares as set out in the table in section 3.1 above;
- (ii) any other Shares of which they may thereafter become the beneficial owner or of which they may become so interested; and
- (iii) any Shares deriving from the Shares in sub-paragraphs (i) and (ii) above, (collectively, the "**Relevant Shares**"); and
- (b) accept or procure the acceptance of, the Offer in respect of the Relevant Shares on the third (3rd) business day after the date of despatch to Shareholders of the Offer Document (or in relation to the Relevant Shares falling within sub-paragraphs (a)(ii) and (a)(iii) above, as soon as practicable after they become the beneficial owner of, or they become interested in, such Shares).
- 3.4 Aloysius Lim Cher Kia has, pursuant to his Irrevocable Undertaking, further agreed, amongst other things, that:
- (a) he will not sell, transfer, dispose of or otherwise Encumber his direct interest in 50,999 ordinary shares and 1 preference share in the capital of ALBE, representing approximately 51% of the total issued ordinary shares and 100% of the total issued preference shares in the capital of ALBE. For the purpose of his Irrevocable Undertaking, "**Encumber**" means any claim, charge, mortgage, security, lien, option, equity, power of sale, hypothecation or other third party rights, retention of title, right of pre-emption, right of first refusal or security interest of any kind; and
- (b) he will procure that ALBE:
- (i) shall not, on and from the date of the Irrevocable Undertaking up to the close of the Offer, issue any shares or other equity securities of ALBE to any person; and
- (ii) complies with the terms of the Irrevocable Undertaking, including doing all further acts and things, and executing and delivering (or procuring the execution and delivery of) such further documents, as may be required by law or as may be necessary to implement and/or give effect to the Irrevocable Undertaking and the transactions contemplated under it.

¹ Based on 281,721,327 Shares (excluding treasury shares) as at the Latest Practicable Date as reflected in the electronic instant information search results from ACRA in respect of the Company as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

- 3.5 Pursuant to the Irrevocable Undertakings, the obligations of the Undertaking Shareholders shall lapse and be of no further force and effect, if for whatever reason, other than a breach of their obligations (a) the Offer Announcement is not released by 5.30 p.m. on 3 September 2015; (b) after the Offer has been announced, the Offer is withdrawn or lapses or fails to become or be declared to be unconditional for any reason; or (c) the purchase of the Relevant Shares is not completed by the Offeror for any reason.
- 3.6 Save as disclosed in this Offer Document, neither the Offeror nor parties acting in concert with the Offeror has received any irrevocable undertaking from any holder of Offer Shares to accept or reject the Offer as at the Latest Practicable Date."

4. OFFEROR'S FINANCIAL EVALUATION OF THE OFFER

Section 4 of the Offer Document sets out the Offeror's financial evaluation of the Offer, an extract of which is set out in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

- "4.1 **Attractiveness of the Offer.** *The Offeror believes that the Offer represents an attractive proposition to the Shareholders to realise their entire investment in the Shares for cash or realise part of their investment and continue to participate in the future prospects of the Company.*
- 4.2 **Financial Evaluation.** *The Offer Price represents the following premium over the benchmark prices of the Offer Shares:*

Period	Benchmark Price (\$\$)⁽¹⁾	Premium over / (discount to) the Benchmark Price
(i) <i>Last transacted price per Share on the SGX-ST on 31 August 2015 (being the last full day of trading in the Shares prior to the Offer Announcement Date)</i>	0.198	21%
(ii) <i>Volume weighted average price ("VWAP") of the Shares on the SGX-ST for the one (1)-month period up to the Offer Announcement Date, being 1 August 2015 to 31 August 2015 (both dates inclusive)</i>	0.190	26%
(iii) <i>VWAP of the Shares on the SGX-ST for the three (3)-month period up to the Offer Announcement Date, being 2 June 2015 to 31 August 2015 (both dates inclusive)</i>	0.189	27%
(iv) <i>VWAP of the Shares on the SGX-ST for the six (6)-month period up to the Offer Announcement Date, being 2 March 2015 to 31 August 2015 (both dates inclusive)</i>	0.180	33%
(v) <i>VWAP of the Shares on the SGX-ST for the twelve (12)-month period up to the Offer Announcement Date, being 1 September 2014 to 31 August 2015 (both dates inclusive)</i>	0.173	39%

Note:

- (1) *The VWAPs above are based on data extracted from Bloomberg L.P. and the website of the SGX-ST as at 31 August 2015 and the figures were rounded to the nearest three (3) decimal places."*

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5. INFORMATION ON THE OFFEROR AND ITS RELATED COMPANIES

Section 6 of the Offer Document sets out information on the Offeror and its related companies, an extract of which is set out in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

- “6.1 **The Offeror.** *The Offeror was incorporated in Singapore on 27 July 2015 as a private limited company. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of US\$1.00 comprising 1 ordinary share, which is held by Clearlake Limited (“Clearlake”), which is in turn wholly-owned by Shaw Kwei & Partners Ltd. (“SKPL”), in its capacity as general partner of Asian Value Investment Fund 3, L.P. (“AVIF3”), an exempted limited partnership organised and existing under the laws of the Cayman Islands. The Offeror is principally an investment holding company for the purpose of the Offer. The directors of the Offeror as at the Latest Practicable Date are Mr Kyle Arnold Shaw Junior and Ms Wong Pei Shan.*
- 6.2 **Clearlake.** *Clearlake was incorporated on 22 July 2015 as an exempted company incorporated in the Cayman Islands with limited liability. As at the Latest Practicable Date, the authorised capital of Clearlake is US\$50,000 divided into 50,000 shares of a nominal or par value of US\$1.00 each. Clearlake is wholly-owned by SKPL, in its capacity as general partner of AVIF3. As at the Latest Practicable Date, the directors of Clearlake are Mr Kyle Arnold Junior Shaw and Mr Ma Ka Man.*
- 6.3 **SKPL.** *SKPL is a fund management firm incorporated as a limited liability exempted company in the Cayman Islands, which specialises in private equity investments in businesses operating in Asia with a focus on manufacturing and service industries.”*

Additional information on the Offeror is set out in Appendix 3 to this Circular.

6. RATIONALE FOR THE OFFER

The full text of the rationale for the Offer has been extracted from section 7 of the Offer Document and is set out in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document. **Shareholders are advised to read the extract below carefully.**

- “7.1 **Opportunity for Shareholders to Realise their Investments at a Premium.** *The Offer provides the minority Shareholders with an opportunity to exit from the Company and to realise their investments in Shares for cash at an attractive price.*

The Offer Price represents a highest price achieved since August 2007, and a premium over the last transacted price of Shares as quoted on the SGX-ST on 31 August 2015, being the last full day of trading of the Shares prior to the Offer Announcement Date.

The Offer Price also represents a premium over the VWAP per Share for the 1-month, 3-month, 6-month, 12-month periods up to and including the Offer Announcement Date of approximately 21%, 26%, 27%, 33% and 39% respectively.

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7.2 ***Illiquidity of Shares.***

As illustrated in the following table, the trading liquidity of Shares has been thin prior to the Offer Announcement Date. Such low liquidity limits the usefulness of a public listing.

<i>Period prior to the Offer Announcement Date</i>	<i>1-month period</i>	<i>3-month period</i>	<i>6-month period</i>	<i>12-month period</i>
<i>Average daily trading volume⁽¹⁾</i>	<i>595,000</i>	<i>361,694</i>	<i>292,285</i>	<i>211,697</i>
<i>Average daily trading volume as a percentage of the total Shares⁽¹⁾⁽²⁾</i>	<i>0.211%</i>	<i>0.128%</i>	<i>0.104%</i>	<i>0.075%</i>
<i>Number of days for which there were trades in Shares⁽¹⁾</i>	<i>19</i>	<i>53</i>	<i>103</i>	<i>176</i>
<i>Number of market days⁽¹⁾</i>	<i>19</i>	<i>62</i>	<i>125</i>	<i>248</i>

Notes:

(1) Based on data extracted from Bloomberg L.P.

(2) Rounded to the nearest three decimal places.

7.3 ***Greater Management Flexibility.*** As noted in **section 8** below, depending on the outcome of the Offer, the Offeror does not intend to preserve the listing status of the Company. The Offeror believes that privatising the Company will give the Offeror and the management of the Company more flexibility to manage and plan the Company's business on a longer time horizon to optimize the use of its management and capital resources.

7.4 ***Limited Utility of Listing Status.*** The Offeror notes that the Company has not carried out any equity fund raising on the SGX-ST since 2004. Accordingly, the Offeror believes that the Company's listing status is of limited utility to the Company.

7.5 ***Eliminate Compliance Costs of Listing.*** As a listed entity, the Company has to incur listing, compliance and other related costs associated with continued listing requirements under the Listing Manual. Furthermore, as the Offeror believes that it is unlikely to require access to such equity fund raising in the foreseeable future, the privatisation of the Company will dispense it from listing-related expenses and enable it to channel such resources towards its business operations instead."

7. OFFEROR'S INTENTIONS FOR THE COMPANY

The full text of the Offeror's intentions for the Company has been extracted from section 8 of the Offer Document and is set out in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document. **Shareholders are advised to read the extract below carefully.**

"8.1 *The Offeror currently does not intend to make changes to the management team of the Company, but will propose the appointment of directors to the Company as soon as practicable.*

8.2 *Save as disclosed in this Offer Document, the Offeror has no current intention to (a) make any major changes to the business of the Company, (b) redeploy the fixed assets of the Company and its subsidiaries, or (c) discontinue the employment of the employees of the Company and its subsidiaries, other than in the normal course of business.*

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- 8.3 *Nonetheless, the Offeror intends to conduct a review of the business of the Company and its subsidiaries following the close of the Offer. The Offeror therefore retains the flexibility at any time to consider any options or opportunities which may present themselves and which the Offeror regards to be in the interests of the Company and/or the Group.*
- 8.4 ***The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. Accordingly, the Offeror, if entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take steps for the lifting of any trading suspension of the Shares by the SGX-ST in the event that, inter alia, less than 10% of the Shares (excluding treasury shares) are held in public hands. In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.***

8. LISTING STATUS AND COMPULSORY ACQUISITION

Section 9 of the Offer Document sets out the intentions of the Offeror relating to the listing status of the Company and its right of compulsory acquisition, an extract of which is set out in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

- “9.1 ***Compulsory Acquisition under Section 215(1) of the Companies Act.*** Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer of not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held as treasury shares), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (“***Dissenting Shareholders***”) on the same terms as those offered under the Offer. In such an event, the Offeror intends to exercise its rights of compulsory acquisition.
- 9.2 ***Compulsory Acquisition under Section 215(3) of the Companies Act.*** Pursuant to Section 215(3) of the Companies Act, if the Offeror or its nominees acquires, pursuant to the Offer, such number of Shares which, together with Shares held by it, its related corporations and their respective nominees, comprise 90% or more of the total number of issued Shares (excluding any Shares held as treasury shares), the Dissenting Shareholders have a right to require the Offeror to acquire their Shares on the same terms as those offered under the Offer. Shareholders who wish to exercise such a right, if any, are advised to seek their own independent legal advice.
- 9.3 ***Listing Status.*** Under Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with the Offeror to above 90% of the total number of issued Shares (excluding any Shares held as treasury shares), the SGX-ST may suspend the listing of the Shares in the Ready and Unit Share markets until such time it is satisfied that at least 10% of the total number of issued Shares (excluding any Shares held as treasury shares) are held by at least 500 Shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding any Shares held as treasury shares), thus causing the percentage of the total number of issued Shares (excluding any Shares held as treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding any Shares held as treasury shares) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual states that the

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SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.

*In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724(1), Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror does not intend to undertake or support any action for any such trading suspension by the SGX-ST to be lifted. **It is the intention of the Offeror to privatise the Company and to delist the Company from the SGX-ST, should the option be available to the Offeror.***

9. ADVICE OF THE IFA

9.1 IFA

CIMB Bank Berhad, Singapore Branch has been appointed as the independent financial adviser to advise the Independent Directors in respect of the Offer. Shareholders should consider carefully the recommendations of the Independent Directors and the advice of the IFA to the Independent Directors before deciding whether to accept or reject the Offer.

9.2 Advice of the IFA

The advice of the IFA to the Independent Directors in respect of the Offer is set out in the IFA Letter annexed as Appendix 1 to this Circular, an extract of which is set out below in *italics*. Shareholders should read the extract in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise defined or the context otherwise requires, all terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter.

"In arriving at our advice to the Independent Directors on the Offer, we have considered, inter alia, the following factors which should be read in the context of the full text of this letter:

- (i) The Group's financial performance has been positive for the last three financial years as shown by increasing revenue and profitability;*
- (ii) The Group is in a net cash position as at the end of the last three completed financial years;*
- (iii) The Shares have not traded at or above the Offer Price for the last three years prior to the Offer Announcement Date;*
- (iv) The Offer Price represents a premium of approximately 60.0%, 51.9%, 38.7%, 33.3%, 27.0% and 26.3% above the VWAP of the Shares for the 3-year, 2-year, 1-year, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date respectively;*
- (v) The Offer Price represents a premium of approximately 21.2% above the last traded price of the Shares of S\$0.198 on the Last Trading Day;*
- (vi) The Shares traded between a low of S\$0.235 and a high of S\$0.240 for the period after the Offer Announcement Date up to the Latest Practicable Date;*
- (vii) It is likely that the market prices of the Shares after the Offer Announcement Date is highly influenced by the Offer and may not be maintained at such levels after the close of the Offer;*
- (viii) The Offer Price represents a slight premium of approximately 0.8% above the VWAP of the Shares for the period after the Offer Announcement Date up to the Latest Practicable Date;*
- (ix) The Offer Price is equal to the last traded price of the Shares as at the Latest Practicable Date;*

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- (x) *The average daily traded volume of the Shares for the 3-year, 2-year, 1-year, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date represented approximately 0.13%, 0.14%, 0.17%, 0.24%, 0.30% and 0.49% of the free float of the Shares respectively;*
- (xi) *The traded volume of the Shares on the Last Trading Day represented approximately 1.13% of the free float of the Shares;*
- (xii) *For the period after the Offer Announcement Date up to the Latest Practicable Date, the average daily traded volume of the Shares represented approximately 1.17% of the free float of the Shares;*
- (xiii) *It is likely that the increase in trading volume of the Shares after the Offer Announcement Date is highly influenced by the Offer and may not be maintained at such levels after the close of the Offer;*
- (xiv) *The average daily traded volume of the Shares on the Latest Practicable Date represented approximately 0.18% of the free float of the Shares;*
- (xv) *The Shares have generally outperformed the overall Singapore stock market since September 2013 up to the Latest Practicable Date;*
- (xvi) *The historical PER of the Company of approximately 17.4 times as implied by the Offer Price is above the mean and median of the historical PERs of the Comparable Companies;*
- (xvii) *The historical EV/EBITDA ratio of the Company of approximately 5.3 times as implied by the Offer Price is above the range of the historical EV/EBITDA ratios of the Comparable Companies;*
- (xviii) *The historical P/NAV ratio of the Company of approximately 1.0 times as implied by the Offer Price is above the range of the historical P/NAV ratios of the Comparable Companies;*
- (xix) *The Offer Price represents a slight premium of approximately 0.97% to the NAV per Share of 23.77 cents per Share as at 30 June 2015;*
- (xx) *The ex-cash Offer Price of S\$0.1897 is at a premium of approximately 1.28% above the ex-cash NAV per Share as at 30 June 2015;*
- (xxi) *The Offer Price is at a discount of approximately 15.1% to the RNAV per Share of S\$0.2826 as at 30 June 2015;*
- (xxii) *The ex-cash Offer Price of S\$0.1897 is at a discount of approximately 18.3% to the ex-cash RNAV per Share;*
- (xxiii) *The premium implied by the Offer Price over the VWAP for the 1 month period prior to the Offer Announcement Date and VWAP for the 3 month period prior to the Offer Announcement Date are above the corresponding mean and median premium of the Precedent Takeovers;*
- (xxiv) *The premium implied by the Offer Price over the last transacted price prior to the Offer Announcement Date is below the median but above the mean of the corresponding premium of the Precedent Takeovers;*
- (xxv) *The P/NAV multiple of approximately 1.0 times as implied by the Offer Price is below the mean but above the median of the corresponding P/NAV multiples of the Precedent Takeovers;*
- (xxvi) *The P/RNAV multiple of approximately 0.8 times as implied by the Offer Price is below the mean but equal to the median of the corresponding P/RNAV multiples of the Precedent Takeovers;*

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- (xxvii) The Company had declared annual dividends per Share ranging from 0.66 cents to 0.83 cents per financial year, representing dividend yields (implied by the Offer Price) of approximately 2.8% to approximately 3.5% over the same period. We note that the FY2015 dividend payout is not likely to be approved at the upcoming annual general meeting of the Company;
- (xxviii) The Company's dividend yield for FY2014 as implied by the Offer Price is within the range of the dividend yield of its Comparable Companies and lower than the dividend yield of the STI ETF;
- (xxix) The Company's dividend yield for FY2015 as implied by the Offer Price is within the range of the dividend yield of its Comparable Companies and higher than the dividend yield of the STI ETF; and
- (xxx) Other relevant considerations as set out in section 7.7 of this letter.

Based upon, and having considered, inter alia, the factors described above and the information that has been made available to us at the Latest Practicable Date, we are of the opinion that the financial terms of the Offer are fair and reasonable under the market, economic and other relevant conditions prevailing as at the Latest Practicable Date.

Accordingly, the Independent Directors may wish to consider advising the Shareholders as follows:

Shareholders who wish to take this opportunity to realise their investments in the Company in the near term and/or who are not confident and optimistic about their equity investments in the Company and/or are not prepared to accept the uncertainties facing the future prospects of the Company under the control of the Offeror, may **ACCEPT** the Offer or sell their Shares on the open market if they can obtain a price higher than the Offer Price, after taking into account all relevant expenses such as brokerage commissions in connection with open market transactions.

Shareholders who do not wish to accept the Offer should be aware that they will be subject to the general risks and rewards associated with equity investments, including but not limited to fluctuations in the price and trading liquidity of the Shares. The Offeror also does not intend to preserve the listing status of the Company and reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

Shareholders should also note that in the 3-year period leading up to the Offer Announcement Date, the Shares have not traded at or above the Offer Price and it appears likely that the market prices of the Shares after the Offer Announcement Date is highly influenced by the Offer and may not be maintained at such levels after the close of the Offer.

We would also advise the Independent Directors to caution the Shareholders that they should not rely on our advice to the Independent Directors as the sole basis for deciding whether or not to accept the Offer.

In rendering the above advice, we have not had regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately."

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10. RECOMMENDATIONS OF THE INDEPENDENT DIRECTORS

10.1 Independent Directors

All the Directors are considered independent for the purposes of making a recommendation to Shareholders in respect of the Offer.

10.2 Recommendations

The Independent Directors, having considered carefully the terms of the Offer and the advice given by the IFA, concur with the advice of the IFA in respect of the Offer. Accordingly, the Independent Directors recommend to Shareholders as follows:

Shareholders who wish to take this opportunity to realise their investments in the Company in the near term and/or who are not confident and optimistic about their equity investments in the Company and/or are not prepared to accept the uncertainties facing the future prospects of the Company under the control of the Offeror, may ACCEPT the Offer or sell their Shares on the open market if they can obtain a price higher than the Offer Price, after taking into account all relevant expenses such as brokerage commissions in connection with open market transactions.

Shareholders who do not wish to accept the Offer should be aware that they will be subject to the general risks and rewards associated with equity investments, including but not limited to fluctuations in the price and trading liquidity of the Shares. The Offeror also does not intend to preserve the listing status of the Company and reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

Shareholders should also note that in the 3-year period leading up to the Offer Announcement Date, the Shares have not traded at or above the Offer Price and it appears likely that the market prices of the Shares after the Offer Announcement Date is highly influenced by the Offer and may not be maintained at such levels after the close of the Offer.

The Independent Directors caution the Shareholders that they should not rely on the advice of the IFA to the Independent Directors as the sole basis for deciding whether or not to accept the Offer.

In making their recommendations, the Independent Directors have not had regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, the Independent Directors would recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

11. OVERSEAS SHAREHOLDERS

Section 12 of the Offer Document sets out information relating to Overseas Shareholders, an extract of which is set out in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

*“12.1 **Overseas Shareholders.** The availability of the Offer to Shareholders whose addresses are outside Singapore, as shown on the Register or, as the case may be, in the records of CDP (each, an “**Overseas Shareholder**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, any Overseas Shareholder should inform himself about and observe any applicable legal requirements. Where there are potential restrictions on sending this Offer Document, the FAA and/or the FAT to any overseas jurisdiction, the Offeror reserves the right not to send this Offer Document, the FAA and/or the FAT to any overseas*

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jurisdiction. For the avoidance of doubt, the Offer is made to all Shareholders holding Offer Shares, including those to whom the Offer Document and the acceptance forms have not been, or will not be, sent.

Copies of this Offer Document and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (a “**Restricted Jurisdiction**”) and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable laws and regulations) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility.

- 12.2 **Offer Document.** The Offer is made solely on the basis of this Offer Document, the FAA and the FAT, which contain the full terms and conditions of the Offer, including details on how the Offer may be accepted. This Offer Document does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document in any jurisdiction in contravention of applicable law. The release, publication or distribution of this Offer Document in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Offer Document is released, published or distributed should inform themselves about and observe such restrictions.
- 12.3 **Copies of the Offer Document, the FAA and the FAT.** Subject to compliance with applicable laws, any Overseas Shareholder may, nonetheless, attend in person and obtain copies of this Offer Document, the FAA and the FAT, as the case may be, and any related documents, during normal business hours and up to 5.30 p.m. on the Closing Date, from the Offeror c/o CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588 or M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, as the case may be. Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write in to the Offeror c/o M & C Services Private Limited at the above-stated address to request that this Offer Document, the FAA or the FAT, as the case may be, and any related documents be sent to an address in Singapore by ordinary post at his own risk, up to five (5) Market Days prior to the Closing Date.
- 12.4 **Overseas Jurisdiction.** It is the responsibility of an Overseas Shareholder who wishes to (a) request for this Offer Document, the FAA and/or the FAT, or (b) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with other necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, its related corporations, CDP, the Share Registrar and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror, its related corporations, CDP, the Share Registrar and/or any person acting on their behalf may be required to pay. In (a) requesting for this Offer Document, the FAA and/or FAT and any related documents, and/or (b) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements.

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Any Overseas Shareholder who is in doubt about his position should consult his professional adviser in the relevant jurisdiction.

12.5 **Notice.** *The Offeror reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or notice and if necessary, paid advertisement in a daily newspaper published or circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including an Overseas Shareholder) to receive or see such announcement, notice or advertisement."*

12. INFORMATION PERTAINING TO CPFIS INVESTORS

Section 13 of the Offer Document sets out information pertaining to CPFIS Investors, an extract of which is set out in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"CPFIS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks in due course. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice.

CPFIS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks accordingly by the deadline stated in the letter from their respective CPF Agent Banks. Subject to the Offer becoming or being declared to be unconditional as to acceptances in accordance with its terms, CPFIS Investors who accept the Offer will receive the payment of the Offer Price for their Offer Shares in their CPF investment accounts."

13. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. on 27 October 2015, or such later date(s) as may be announced from time to time by or on behalf of the Offeror, abiding by the procedures for the acceptance of the Offer as set out in Appendix B to the Offer Document, the FAA and/or the FAT.

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received, on behalf of the Offeror, by CDP (in respect of the FAA) or M & C Services Private Limited (in respect of the FAT), as the case may be, not later than 5.30 p.m. on 27 October 2015, or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Shareholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document, the FAA and/or the FAT which have been sent to them.

14. RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular (other than Appendices 1 and 6 to this Circular) are fair and accurate, and they confirm, after having made all reasonable inquiries, that to the best of their knowledge, the opinions expressed in this Circular (other than Appendices 1 and 6 to this Circular) have been arrived at after due and careful consideration and there are no other facts not contained in this Circular, the omission of which would make any statement in this Circular misleading.

In respect of Appendices 1 and 6 to this Circular, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are, to the best of their knowledge and belief, fair and accurate in all material respects.

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Where any information in this Circular (other than Appendices 1 and 6 to this Circular) has been extracted or reproduced from the Offer Document or from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

The Directors jointly and severally accept responsibility accordingly.

Yours faithfully

For and on behalf of the Board of Directors of
CHOSEN HOLDINGS LIMITED

Aloysius Lim Cher Kia
Executive Chairman

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

CIMB BANK BERHAD (13491-P)
SINGAPORE BRANCH
(Incorporated in Malaysia)

50 Raffles Place #09-01
Singapore Land Tower
Singapore 048623

29 September 2015

To: **The Independent Directors**
Chosen Holdings Limited
No 17 Woodlands Terrace
Woodlands East Industrial Estate
Singapore 738442

Dear Sirs,

VOLUNTARY CONDITIONAL CASH OFFER FOR ALL THE ISSUED AND PAID-UP ORDINARY SHARES (EXCLUDING TREASURY SHARES) IN THE CAPITAL OF CHOSEN HOLDINGS LIMITED (THE “COMPANY”), OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY SOUTHSORE PTE. LTD. (THE “OFFEROR”)

1. INTRODUCTION

On 1 September 2015 (the “**Offer Announcement Date**”), the Offeror announced, *inter alia*, that it intends to make a voluntary conditional cash offer for all the issued and paid-up ordinary shares (excluding treasury shares) (“**Shares**”) in the capital of the Company, other than those already owned, controlled or agreed to be acquired by the Offeror.

In connection with the Offer, CIMB Bank Berhad, Singapore Branch (“**CIMB**”) has been appointed as the independent financial adviser to advise the Independent Directors in respect of the Offer.

This letter sets out, *inter alia*, our evaluation of the financial terms of the Offer and our advice thereon. It forms part of the circular to Shareholders dated 29 September 2015 issued by the Company setting out, *inter alia*, details of the Offer and the recommendations of the Independent Directors in respect thereof (the “**Circular**”).

Unless otherwise defined or the context otherwise requires, all terms defined in the Circular and/or the Offer Document, shall have the same meanings herein. Any differences between the amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

To ensure that the advice we wish to put forth by means of this letter is comprehensive and yet remains concise, details contained in the Circular and/or the Offer Document, where necessary or relevant in supporting or elaborating our advice, are not wholly reproduced, but instead, made reference to or summarised throughout the sections of this letter where applicable.

We recommend that the Independent Directors advise the Shareholders to read these contextual references and summaries with due care.

2. TERMS OF REFERENCE

We have been appointed to advise on the financial terms of the Offer and whether Shareholders should accept or reject the Offer, pursuant to Rules 7.1 and 24.1(b) of the Singapore Code on Take-overs and Mergers (the “**Code**”). We have confined our evaluation to the financial terms of the Offer and our terms of reference do not require us to evaluate or comment on the commercial risks and/or commercial merits of the Offer or the future prospects of the Company and its subsidiaries

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(the “**Group**”) or any of its associated or joint venture companies and we have not made such evaluation or comment. However, we may draw upon the views of the Directors and/or the management of the Company (the “**Management**”) or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this letter. We have not been requested, and we do not express any opinion on the relative merits of the Offer as compared to any other alternative transaction. We have not been requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Offer Shares.

We have held discussions with the Directors and the Management and have examined publicly available information collated by us as well as information, both written and verbal, provided to us by the Directors, the Management and the Company’s other professional advisers. We have not independently verified such information, whether written or verbal, and accordingly we cannot and do not warrant or make any representation (whether express or implied) regarding, or accept any responsibility for, the accuracy, completeness or adequacy of such information. However, we have made such enquiries and exercised our judgment as we deem necessary on such information and have found no reason to doubt the reliability of the information.

We have relied upon the assurances of the Directors (including those who may have delegated detailed supervision of the preparation of the Circular) that they have taken all reasonable steps to ensure that the facts stated and opinions expressed by them or the Company in the Circular are fair and accurate in all material respects. The Directors have confirmed to us, that to the best of their knowledge and belief, all material information relating to the Group, its associated or joint venture companies and the Offer have been disclosed to us, that such information is true, complete and accurate in all material respects and that there are no other material facts and circumstances the omission of which would make any statement in the Circular inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted such responsibility accordingly.

We have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, real property) of the Group or of any of its associated or joint venture companies. We have not been furnished with any such evaluation or appraisal, except for the reports, letters and/or valuation certificates (“**Valuation Reports**”) from the valuers appointed by the Company in connection with the Offer (extracts of which are set out in Appendix 6 to the Circular) on which we have placed sole reliance in the evaluation or appraisal of the assets concerned. We have not made any independent verification of the contents of these Valuation Reports.

Our analysis and opinion is based upon market, economic, industry, monetary and other conditions prevailing as at 22 September 2015 (the “**Latest Practicable Date**”), as well as the information made available to us as at the Latest Practicable Date. Such conditions may change significantly over a short period of time. Accordingly, we do not express any opinion or view on the future prospects, financial performance and/or financial position of the Group. Shareholders should take note of any announcement and/or documents relevant to their consideration of the Offer which may be released or published by or on behalf of the Company and/or the Offeror after the Latest Practicable Date.

In rendering our advice, we have not had regard to the specific investment objectives, financial situation, tax position, risk profile or particular needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, any Shareholder who may require specific advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised in relation to the preparation of the Circular (other than this letter). We were not involved in and have not provided any advice in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for, and express no views (express or implied) on, the contents of the Circular (other than this letter).

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3. THE OFFER

As set out in section 2 of the Offer Document, the key terms and conditions of the Offer are as follows:

3.1 Offer Terms. The Offer will be made for the Offer Shares in accordance with Section 139 of the SFA and Rule 15 of the Code, on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT.

3.2 Offer Price. The Offer is made on the following basis:

For each Offer Share: S\$0.24 in cash

Shareholders should take note that the Offeror has given notice that it does not intend to revise the Offer Price.

3.3 Offer Shares. The Offer will be made for all Shares, other than those already owned, controlled or agreed to be acquired by the Offeror.

For the avoidance of doubt, the Offer will be extended, on the same terms and conditions, to all Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror in connection with the Offer.

3.4 Condition of the Offer. The Offer is conditional upon the Offeror having received, by the Closing Date, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to the issued Shares in the capital of the Company (excluding any Shares held in treasury) as at the Closing Date (including any voting rights attributable to the Shares unconditionally issued or to be issued pursuant to the vesting of any Share Awards prior to the Closing Date) (“**Acceptances Threshold**”).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the Closing Date, unless at any time prior to the Closing Date, the Offeror has received valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with the Offeror holding such number of Shares carrying more than 50% of the voting rights attributable to the maximum potential issued Shares in the capital of the Company. For this purpose, the “**maximum potential issued Shares in the capital of the Company**” means the total number of Shares which would be in issue had all outstanding convertible securities which are exercisable prior to the Closing Date been validly exercised and all the Share Awards become vested as at the date of such declaration, excluding any Shares held in treasury.

The Offer is unconditional in all other respects.

We wish to highlight to Shareholders that, as at 5.00 p.m. on 18 September 2015, the Offeror announced that it has received valid acceptances (which have not been withdrawn) of the Offer in respect of 148,139,153 Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (either before or during the Offer and pursuant to the Offer or otherwise), results in the Offeror and parties acting in concert with the Offeror holding such number of Shares carrying more than 50% of the voting rights attributable to the maximum potential issued Shares in the capital of the Company.

As the Acceptances Threshold has been fulfilled, the Offer has become unconditional as to acceptances and has been declared unconditional in all respects as at the Latest Practicable Date.

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- 3.5 Closing Date.** Pursuant to Rule 22.6 of the Code, as the Offer has become unconditional as to acceptances, the Offer will remain open for acceptance until **5.30 p.m. (Singapore time) on 27 October 2015**, being not less than 14 days after 13 October 2015 (the first closing date stated in the Offer Document), or such later date(s) as may be announced from time to time by or on behalf of the Offeror.
- 3.6 No Encumbrances.** The Offer Shares will be acquired (i) fully-paid; (ii) free from all Encumbrances; and (iii) together with all rights, benefits, entitlements and advantages attached to them as at the Offer Announcement Date and thereafter attaching to them (including the right to receive and retain all dividends, rights, returns of capital and other distributions (if any) which may be announced, declared, made or paid thereon by the Company on or after the Offer Announcement Date). If any dividend, right, return of capital or other distribution is announced, declared, made or paid by the Company on or after the Offer Announcement Date, the Offeror reserves its right to reduce the Offer Price by the amount of such dividend, right, return of capital or other distribution.

According to section 2.5 of the Offer Document, the Offeror has stated its intention to exercise all voting rights attached to the Shares held by it against any Shareholders' resolution to approve the payment of any dividends of the Company (including the payment of a final dividend of S\$0.0083 per Share to be considered at the upcoming 17th annual general meeting of the Company).

We wish to highlight to Shareholders that as at the Latest Practicable Date, the Offeror and parties acting in concert with the Offeror owned, controlled or agreed to acquire more than 50% of the total issued Shares. Accordingly, the Offeror is a majority shareholder of the Company and is therefore able to vote against any Shareholders' resolution to approve the payment of any dividends of the Company as illustrated in the paragraph above.

- 3.7 Warranty.** The following is extracted from section 2.7 of the Offer Document and reproduced in italics below for your reference.

"A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to have unconditionally and irrevocably warranted that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof, (a) fully paid; (b) free from all Encumbrances; and (iii) together with all rights, benefits, entitlements and advantages attached to them as at the Offer Announcement Date, and thereafter attaching to them (including the right to receive and retain all dividends, rights, returns of capital and other distributions (if any) which may be announced, declared, made or paid thereon by the Company on or after the Offer Announcement Date)"

- 3.8 Share Awards.** The following is extracted from section 2.4 of the Offer Document and reproduced in italics below for your reference.

"Based on information available to the Offeror as at the Latest Practicable Date, there are (a) no outstanding convertible securities validly issued by the Company; and (b) outstanding Share Awards granted under the Performance Share Award Scheme that have not yet vested.

Under the rules of the Performance Share Award Scheme, the Share Awards are not transferable unless the prior approval of the committee administering the Performance Share Award Scheme is obtained. In view of this restriction, the Offeror is not making an offer to acquire the Share Awards.

For the avoidance of doubt, the Offer is extended on the same terms and conditions to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any such outstanding convertible securities or the vesting of any such Share Awards on or prior to the Closing Date.

*For the purpose of the Offer, the expression "**Offer Shares**" shall include the Shares issued or to be issued pursuant to the valid exercise of any such outstanding convertible securities or the vesting of any such Share Awards on or prior to the Closing Date."*

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4. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

Please refer to section 7 and section 8 of the Offer Document for the rationale for the Offer and the Offeror's intentions for the Company. **Shareholders are advised to read these sections of the Offer Document carefully.**

5. INFORMATION ON THE COMPANY

Please refer to section 5 of the Offer Document for information on the Company.

6. INFORMATION ON THE OFFEROR AND ITS RELATED COMPANIES

Please refer to section 6 of the Offer Document for information on the Offeror and its related companies.

7. ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

Methodology

In assessing the financial terms of the Offer, we have considered the following:

- (i) Historical financial performance and position of the Group;
- (ii) Historical trading performance of the Shares;
- (iii) Comparison of valuation multiples of selected listed companies which are broadly comparable to the Group;
- (iv) Net asset value ("**NAV**") and revalued net asset value ("**RNAV**") of the Group;
- (v) Comparison with recently completed privatisations of companies listed on the SGX-ST;
- (vi) Dividend track record of the Company and other alternative investments; and
- (vii) Other relevant considerations.

General bases and assumptions

We wish to highlight that unless otherwise specified, we have relied on the following general bases and assumptions in our analysis:

- (i) As at the Latest Practicable Date, the issued and paid-up share capital of the Company comprises 281,721,327 Shares (excluding treasury shares); and
- (ii) The underlying financial and market data used in our analysis, including securities prices, trading volumes, free float data and foreign exchange rates have been extracted from Bloomberg L.P., SGXNET and/or other public filings as at the Latest Practicable Date or provided by the Company where relevant. CIMB makes no representation or warranties, express or implied, as to the accuracy or completeness of such information.

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Valuation Multiples

We have applied the following valuation multiples in our analysis:

Valuation Multiples	General Description
Price to Earnings (“P/E”)	This multiple illustrates the market price of a company's shares relative to its earnings per share. The P/E multiple is affected by, <i>inter alia</i> , the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets.
EV/EBITDA	This multiple illustrates the market value of a company's business relative to its pre-tax operating cashflow performance, without regard to the company's capital structure. “EV” or “enterprise value” is the sum of a company's market capitalisation, preferred equity, minority interests, short and long term debt less its cash and cash equivalents. “EBITDA” stands for earnings before interest, tax, depreciation and amortisation expenses, inclusive of share of associate's or joint venture's income and excluding exceptional items, as deemed applicable.
Price to NAV (“P/NAV”)	This multiple illustrates the market price of a company's shares relative to its historical book NAV (as defined herein) per share as recorded in its financial statements. The net asset value of a company (“NAV”) is defined as its total assets (including intangible assets) less its total liabilities, and excludes, where applicable, minority interests. The NAV figure provides an estimate of the value of a company assuming the sale of all its assets at its book value, the proceeds which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparisons of companies using their book NAVs are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.
P/RNAV	This multiple illustrates the market price of a company's shares relative to its RNAV (as defined herein) per share. Where the value of a company's key assets are adjusted to their current market values, the NAV figure derived is referred to as its “Revalued NAV” or “RNAV”.

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7.1 Historical Financial Performance and Position of the Group

A summary of the financial results of the Group from FY2013 to FY2015 is set out below.

(S\$'000)	FY2013 (Audited)	FY2014 (Audited)	FY2015 (Audited)
Financial Performance			
Revenue	100,504	117,809	117,242
Gross Profit	4,504	8,552	9,446
Profit attributable to owners of the Company	1,240	3,386	3,884
Financial Position			
Total assets	97,096	96,357	102,988
Cash and cash equivalents	18,354	18,637	21,303
Total borrowings	7,500	6,108	7,124
Total equity attributable to owners of the Company	65,753	66,053	66,955
Financial Ratios			
Gross Profit Margin ⁽¹⁾ (%)	4.5	7.3	8.1
Net Profit Margin ⁽²⁾ (%)	1.2	2.9	3.3
Net Debt to Equity ⁽³⁾ (%)	Net cash	Net cash	Net cash

Source: Annual reports for FY2013 and FY2014, and audited financial results for FY2015 of the Group

Notes:

- (1) Calculated based on the gross profit divided by the revenue for the respective financial year.
- (2) Calculated based on the profit attributable to owners of the Company divided by the revenue for the respective financial year.
- (3) Calculated based on total borrowings less cash and cash equivalents, divided by total equity attributable to owners of the Company as at the end of the respective financial year.

The Group's revenue increased by approximately 17.2% from approximately S\$100.5 million in FY2013 to approximately S\$117.8 million in FY2014. From FY2014 to FY2015, overall revenue fell marginally by approximately 0.5% to approximately S\$117.2 million as lower orders for the Group's products in Thailand and China more than offset the revenue increase from its Singapore and Malaysia operations. Nevertheless, the Group's revenue experienced an overall increase of approximately 16.6% from FY2013 to FY2015.

Gross profit rose by approximately 91.1% from approximately S\$4.5 million in FY2013 to approximately S\$8.6 million in FY2014. From FY2014 to FY2015, gross profit increased by approximately 9.3% to approximately S\$9.4 million. The aforesaid increase in gross profit was attributable to an increase in gross profit margin from approximately 7.3% in FY2014 to approximately 8.1% in FY2015 due mainly to the sale of higher value-added products by the Group's Singapore and Malaysia operations.

The Group had been profitable in the last three completed financial years as reflected by its profit attributable to owners of the Company. From FY2013 to FY2015, profit attributable to owners of the Company more than doubled to approximately S\$3.9 million in FY2015.

Total assets had been on an upward trend and increased by approximately 6.9% from FY2014 to FY2015 primarily due to the increase in property, plant and equipment, and other long-term assets. We note that property, plant and equipment rose as the Group acquired industrial properties and machineries in Singapore and Thailand while the increase in other long-term assets is mainly due to the progress payment for industrial property in Chonburi, Thailand.

The Group's NAV is approximately S\$66.96 million or approximately 23.77 cents per Share as at 30 June 2015. The Group is in a net cash position as at the end of the last three completed financial years.

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The Company made a commentary on its outlook in the announcement of its audited financial results for FY2015, which is reproduced in italics below.

“Demand for the Singapore operation’s appliance motor, commercial equipment, medical devices as well as data media storage products is expected to remain strong. The Group may expand capacity to cater for this increase in demand. The Malaysia operation’s commercial equipment and transportation machinery products will continue to grow. Orders for the Thailand operation’s communication products are expected to be weak. The Chonburi plant will commence operation in FY2016 and is expected to contribute to the Group in future years. Automotive, printing and imaging and retail solution products will continue to contribute to revenue for the China operations. The China operation will also launch several new programs in FY2016.

The Group is mindful that challenges including the possible effects from the slow growth and volatile global economy, fluctuations in exchange rates, increase in operating costs and competitive price pressures, will affect its business and profitability. We will continue to build on our core competence as a precision component supplier and intensify efforts to develop innovative solutions in collaboration with existing and new customers.”

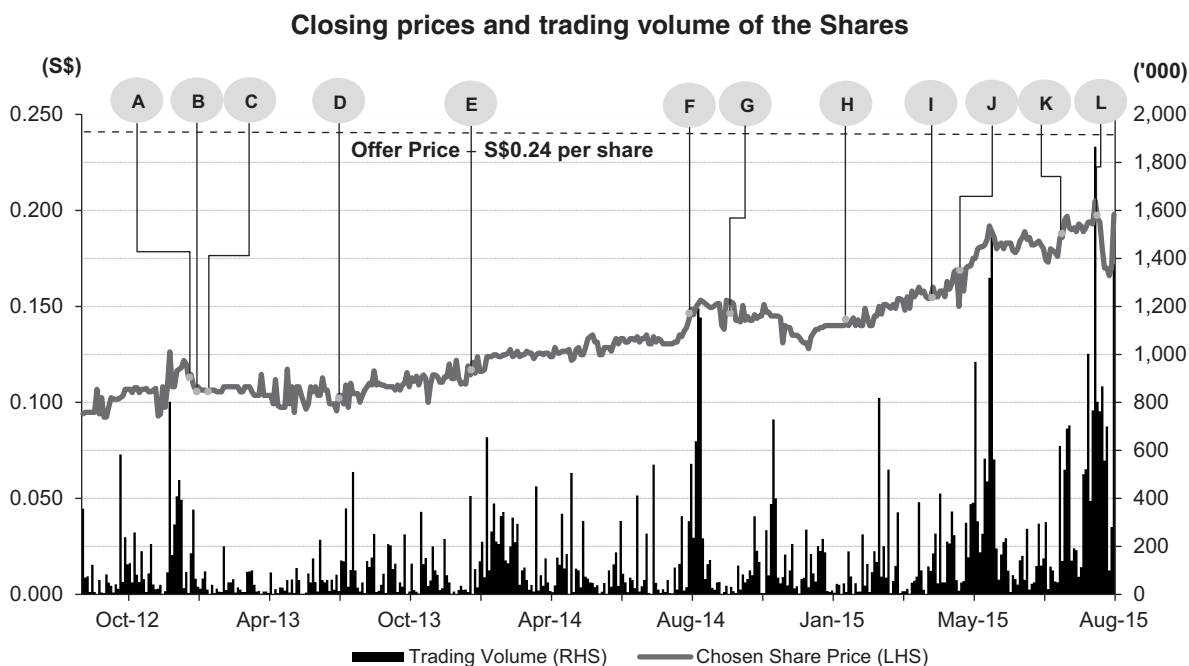
7.2 Historical Trading Performance of the Shares

We have compared the Offer Price to the historical price performance of the Shares and have also considered the historical trading volume of the Shares.

7.2.1 Market quotation and trading activity of the Shares

In evaluating the Offer Price, it would be relevant to examine the price performance and trading volume of the Shares over a reasonable time period, during which the market price of the Shares may ordinarily reflect investors’ valuation of the Shares, based on publicly available information.

We set out on the next page the daily closing prices and trading volume of the Shares for the period commencing from 4 September 2012 (being 3 years prior to the Offer Announcement Date) up to 31 August 2015, which is the last full market day on which the Shares were traded prior to the announcement of the Offer on 1 September 2015 (the “**Last Trading Day**”).



Source: Bloomberg L.P.

Key events up to the Last Trading Day:

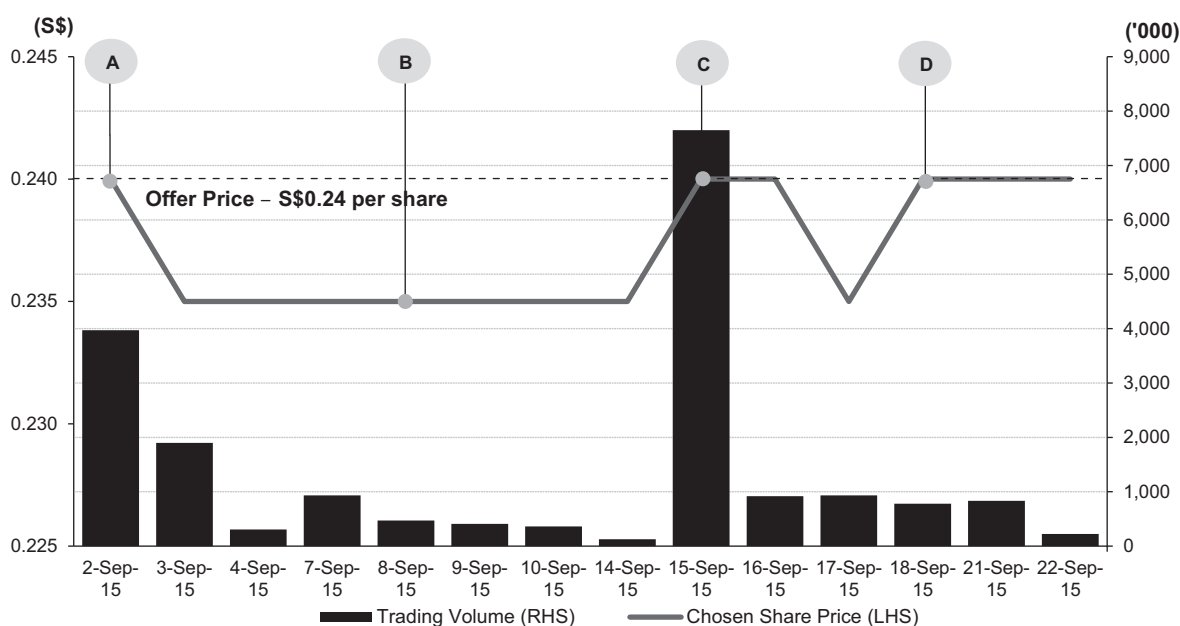
- (A) **18 January 2013:** The Company provides a profit guidance on the Group’s half year results for the financial period ended 31 December 2012.

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- (B) **1 February 2013:** The Company releases its results for the half year ended 31 December 2012.
- (C) **8 February 2013:** The Company issues a reply to the query by the SGX-ST on its results for the half year ended 31 December 2012.
- (D) **22 August 2013:** The Company releases its results for the full year ended 30 June 2013.
- (E) **27 January 2014:** The Company releases its results for the half year ended 31 December 2013.
- (F) **25 August 2014:** The Company releases its results for the full year ended 30 June 2014.
- (G) **8 October 2014:** The Company announces that its wholly-owned subsidiary, Chosen Plastic Pte Ltd (“**CPPL**”) had entered into an Option Agreement to purchase two industrial units located at Ark@Gambas, 7 Gambas Crescent, Singapore 757087 (collectively, the “**Property**”) from the developer of the Property. The aggregate purchase consideration for the Property is S\$1.58 million, determined on a willing-seller, willing-buyer basis after arms’ length negotiations with the developer taking into account its published rates, the market value of similar properties in the vicinity and prevailing market conditions.
- (H) **12 February 2015:** The Company releases its results for the half year ended 31 December 2014.
- (I) **24 April 2015:** The Company announces that its wholly-owned subsidiary, Chosen Investment Pte Ltd (“**CIPL**”), had entered into a Deed with Gashub Technology Pte Ltd (“**Gashub**”), a company incorporated in Singapore, and its existing shareholder, Mr Lim Shao-Lin (“**Mr Lim**”), relating to the termination of Subscription Agreement by CIPL and the transfer of all shares currently held by CIPL in the share capital of Gashub.
- (J) **14 May 2015:** The Company announces that its wholly-owned subsidiary, Chosen Thailand Company Limited, has entered into a Sale & Purchase Agreement with Pinthong Industrial Park Co., Ltd (the “**Vendor**”) to purchase an industrial property located at 150/83 Moo 1 Nongkham Sriracha, Chonburi Province 20110, Thailand of which it is currently leasing from the Vendor. The purchase consideration for the aforesaid industrial property is approximately S\$2,930,000.
- (K) **29 July 2015:** The Company announces that it has, through its wholly-owned subsidiary, Chosen Investment Pte Ltd, acquired another 6.5% equity interest in its subsidiary, Symbonic Pte. Ltd. (“**Symbonic**”) for a nominal consideration of S\$1.00, arrived at on a willing-buyer, willing-seller basis taking into account that Symbonic was loss making for the year ended 30 June 2015. Following the aforesaid acquisition, the Company owns 86.5% of the issued share capital of Symbonic.
- (L) **20 August 2015:** The Company releases its results for the full year ended 30 June 2015.

We set out below the daily closing prices and trading volume of the Shares for the period after the Offer Announcement Date up to the Latest Practicable Date.

Closing prices and trading volume of the Shares



Source: Bloomberg L.P.

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Key events after the Offer Announcement Date up to the Latest Practicable Date:

- (A) **2 September 2015:** The Company announces the voluntary conditional cash offer by Southshore Pte. Ltd. to acquire all the Shares in the capital of the Company, other than those already owned, controlled or agreed to be acquired by it.
- (B) **8 September 2015:** The Company announces the appointment of CIMB as the independent financial adviser to advise the Independent Directors for the purpose of making a recommendation to the Shareholders.
- (C) **15 September 2015:** The Offeror announces the despatch of the Offer Document to the Shareholders.
- (D) **18 September 2015:** The Offeror announces that the Offer has become unconditional as to acceptances and has been declared unconditional in all respects.

We set out below selected statistical information on the share price performance and trading liquidity of the Shares for the above reference period.

	VWAP ⁽¹⁾ (S\$)	Premium of Offer Price to VWAP (%)	Highest traded price (S\$)	Lowest traded price (S\$)	Average daily traded volume ⁽²⁾ (‘000)	Average daily traded volume as a percentage of free float ⁽³⁾ (%)
Periods prior to the Offer Announcement Date⁽⁴⁾						
Last 3 years	0.150	60.0	0.205	0.091	152,488	0.13
Last 2 years	0.158	51.9	0.205	0.094	175,005	0.14
Last 1 year	0.173	38.7	0.205	0.128	211,575	0.17
Last 6 months	0.180	33.3	0.205	0.140	292,285	0.24
Last 3 months	0.189	27.0	0.205	0.160	361,694	0.30
Last 1 month	0.190	26.3	0.205	0.160	589,263	0.49
As at the Last Trading Day	0.198 ⁽⁵⁾	21.2	0.200	0.173	1,375,800 ⁽⁶⁾	1.13
Periods after the Offer Announcement Date⁽⁴⁾						
From 2 September 2015 to the Latest Practicable Date (both dates inclusive)	0.238	0.8	0.240	0.235	1,415,579	1.17
As at the Latest Practicable Date	0.240 ⁽⁵⁾	-	0.240	0.240	224,000 ⁽⁶⁾	0.18

Source: Bloomberg L.P.

Notes:

- (1) The volume-weighted average price (“VWAP”) for the respective periods are calculated based on the daily VWAP turnover divided by the VWAP volume as extracted from Bloomberg L.P.. Off-market transactions are excluded from the calculation.
- (2) The average daily traded volume of the Shares is calculated based on the total volume of Shares traded on the SGX-ST (excluding off-market transactions) during the relevant periods, divided by the number of traded days during the respective periods.
- (3) Free float comprises 121,362,439 Shares as at the Latest Practicable Date as provided by the Company.
- (4) There was no trading in the Shares on the Offer Announcement Date as the Company requested for a trading halt on that day.
- (5) Based on the last traded price of the Shares.
- (6) Based on the traded volume of the Shares for the day.

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We note the following with regards to the traded prices of the Shares:

- (i) Over the 3 year period prior to the Offer Announcement Date, the Shares had traded between a low of S\$0.091 and a high of S\$0.205;
- (ii) The Offer Price represents a premium of approximately 163.7% and 17.1% above the lowest traded price and the highest traded price of the Shares over the 3 year period prior to the Offer Announcement Date;
- (iii) The Offer Price represents a premium of approximately 60.0%, 51.9%, 38.7%, 33.3%, 27.0% and 26.3% above the VWAP of the Shares for the 3-year, 2-year, 1-year, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date respectively;
- (iv) The Offer Price represents a premium of approximately 21.2% above the last traded price of the Shares of S\$0.198 on the Last Trading Day;
- (v) For the period after the Offer Announcement Date up to the Latest Practicable Date, the Shares had traded between a low of S\$0.235 and a high of S\$0.240;
- (vi) The Offer Price represents a slight premium of approximately 0.8% above the VWAP of the Shares for the period after the Offer Announcement Date up to the Latest Practicable Date; and
- (vii) The Offer Price is equal to the last traded price of the Shares as at the Latest Practicable Date.

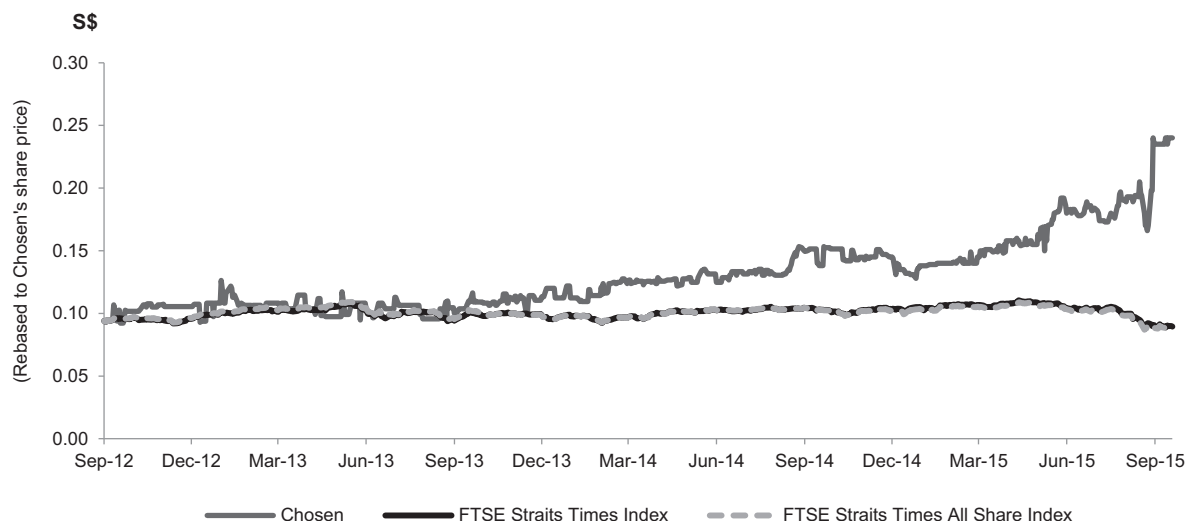
We note the following with regards to the trading liquidity of the Shares:

- (i) The average daily traded volume of the Shares for the 3-year, 2-year, 1-year, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date represented approximately 0.13%, 0.14%, 0.17%, 0.24%, 0.30% and 0.49% of the free float of the Shares respectively;
- (ii) The traded volume of the Shares on the Last Trading Day represented approximately 1.13% of the free float of the Shares;
- (iii) For the period after the Offer Announcement Date up to the Latest Practicable Date, the average daily traded volume of the Shares represented approximately 1.17% of the free float of the Shares; and
- (iv) The average daily traded volume of the Shares on the Latest Practicable Date represented approximately 0.18% of the free float of the Shares.

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7.2.2 Relative Share Price Performance

To gauge the price performance of the Shares relative to the Singapore stock market, we set out below the market price movement of the Shares against the FTSE Straits Times Index⁽¹⁾ and the FTSE Straits Times All Share Index⁽²⁾ for the 3-year period prior to the Offer Announcement Date up to the Latest Practicable Date.



Source: Bloomberg L.P.

Note:

- (1) The FTSE Straits Times Index comprises the top 30 SGX Mainboard listed companies on the Singapore Exchange selected by full market capitalization.
- (2) The FTSE Straits Times All Share Index is a modified market-capitalization weighted index comprising of all companies within the top 98 percent by full market capitalization of the SGX Mainboard universe (i.e. large cap, midcap and small cap indices combined).

Based on the chart above, we note that the Shares have generally outperformed the overall Singapore stock market since September 2013 up to the Latest Practicable Date.

The movements in the closing prices of the Shares, the FTSE Straits Times Index and the FTSE Straits Times All Share Index for the period commencing from 4 September 2012 (being 3 years prior to the Offer Announcement Date) up to the Last Trading Day is as follows:

Company / Index	Closing price / Index value on 4 September 2012	Closing price / Index value on the Last Trading Day	Percentage Change
Chosen	S\$0.094	S\$0.198	110.6%
FTSE Straits Times Index	3,011.55	2,921.44	(3.0%)
FTSE Straits Times All Share Index	732.12	699.89	(4.4%)

The movements in the closing prices of the Shares, the FTSE Straits Times Index and the FTSE Straits Times All Share Index for the period after the Offer Announcement Date up to the Latest Practicable Date is as follows:

Company / Index	Closing price / Index value on 2 September 2015	Closing price / Index value on the Latest Practicable Date	Percentage Change
Chosen	S\$0.240	S\$0.240	-
FTSE Straits Times Index	2,878.13	2,868.47	(0.3%)
FTSE Straits Times All Share Index	688.97	692.35	0.5%

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Based on the above, we note the following:

- (i) The Share price increased by approximately 110.6% over a 3 year period commencing from 4 September 2012 up to the Last Trading Day. Conversely, the FTSE Straits Times Index and the FTSE Straits Times All Share Index fell by approximately 3.0% and 4.4% over the aforesaid period; and
- (ii) During the period following the Offer Announcement Date up to the Latest Practicable Date, the Share price remained steady at S\$0.240. The FTSE Straits Times Index and the FTSE Straits Times All Share Index were also little changed over the aforesaid period.

Shareholders should note that the past trading performance of the Shares should not, in any way, be relied upon as an indication of its future trading performance, and the price performance of the Shares may have been due to market factors and other individual factors which may not be easily isolated and identified with certainty.

Based on the above observations, it appears likely that the market prices and the increase in trading volume of the Shares after the Offer Announcement Date is highly influenced by the Offer and may not be maintained at such levels after the close of the Offer.

7.3 Comparison of valuation multiples of selected listed companies which are broadly comparable to the Group

For the purpose of assessing the Offer Price, we have considered SGX-ST listed companies which are principally engaged in the manufacture of plastic injection mouldings and plastic components that we consider to be broadly comparable to the Group ("**Comparable Companies**").

We have had discussions with the Management about the suitability and reasonableness of the Comparable Companies acting as a basis for comparison with the Group. Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or public announcements of the selected Comparable Companies. We make no representations or warranties, expressed or implied, as to the accuracy and/or completeness of such information.

A brief description of the Comparable Companies is set out below:

Company name	Principal business
ACMA Ltd (" ACMA ")	ACMA manufactures moulds and precision plastic components. The company's products are used in the automotive market.
Fischer Tech (" Fischer ")	Fischer manufactures precision plastic injection moulds for both engineering components and double colour products for electronic, automobile and consumer product industries.
Fu Yu Corporation Limited (" Fu Yu ")	Fu Yu manufactures and sells precision plastic injection moulds and plastic components. The company also manufactures and sells plastic, aluminium parts, electronic parts and equipment for medical use.
Hi-P International Limited (" Hi-P ")	Hi-P is an integrated contract manufacturing services provider. The Company specializes in precision plastic injection molding, mold design and fabrication, assembly, ancillary value-added services and precision metal stamping. The Company also provides turnkey contract manufacturing services.
Jubilee Industries Holdings Ltd. (" Jubilee ")	Jubilee offers plastic moulding services. The company produces precision plastic injection moulds for consumer electronics, household appliances, automobile, and computer peripherals manufacturers, and offers single-shot, double-shot, insert and gas-assisted injection moulding services.

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Company name	Principal business
Memtech International Ltd ("Memtech")	Memtech manufactures and sells customized precision moulded components such as high-end silicone rubber, plastic and silicone rubber-plastic hybrid keypads, mainly for the mobile phone and automotive industries. The company also provides engineering design and manufactures acrylic and glass lenses.
Sunningdale Tech Ltd ("Sunningdale")	Sunningdale manufactures and sells mould and plastic injection products. The company also designs, manufactures, markets and exports high precision steel moulds. Sunningdale trades car audio equipment and provides product design consultancy, mould flow service, mould design and project management.

Source: Bloomberg L.P.

We wish to highlight that the Comparable Companies set out above may not be exhaustive and it should be noted that there may not be any listed company that is directly comparable to the Group in terms of location, business activities, customer base, size of operations, asset base, geographical spread of activities, geographical markets, track record, financial performance, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria. As such, any comparison made herein is necessarily limited and it may be difficult to place reliance on the comparison of valuation statistics for the Comparable Companies. Therefore, any comparison made serves only as an illustrative guide.

The valuation multiples of the Company (as implied by the Offer Price) and the Comparable Companies set out below are based on their respective last transacted share prices as at the Latest Practicable Date.

Company	Last financial year end	Market Capitalisation as at the Latest Practicable Date (S\$ million)	Historical PER ⁽¹⁾ (times)	Historical EV/EBITDA ratio ⁽²⁾ (times)	Historical P/NAV ratio ⁽³⁾ (times)
ACMA	31-Dec-14	27.3	n.m. ⁽⁴⁾	n.m. ⁽⁴⁾	0.4
Fischer	31-Mar-15	44.8	6.0	1.0	0.5
Fu Yu	31-Dec-14	114.5	7.6	1.1	0.6
Hi-P	31-Dec-14	306.1	76.7	4.8	0.5
Jubilee	31-Dec-14	12.2	31.3 ⁽⁵⁾	3.7	0.3
Memtech	31-Dec-14	83.1	3.5	2.4	0.5
Sunningdale	31-Dec-14	151.2	5.4	2.9	0.5
High			76.7	4.8	0.6
Low			3.5	1.0	0.3
Mean			5.6 ⁽⁶⁾	2.6	0.5
Median			6.8	2.6	0.5
The Company (implied by the Offer Price)	30-Jun-15	67.6	17.4	5.3	1.0

Source: Bloomberg L.P., annual reports and latest publicly available financial information on the Comparable Companies.

Notes:

- (1) The historical PERs of the Comparable Companies were computed based on their respective earnings for the 12 months ended 30 June 2015 ("LTM") earnings, where applicable, as at the Latest Practicable Date.

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- (2) The historical EV/EBITDA ratios of the Comparable Companies were computed based on their respective LTM EBITDA, where applicable, as at the Latest Practicable Date.
- (3) The historical P/NAV ratios of the Comparable Companies were computed based on their respective NAVs as set out in their latest published financial statements as at the Latest Practicable Date.
- (4) Denotes not meaningful due to reported losses or negative EBITDA for the LTM period.
- (5) The company changed its financial year end from 31 December to 31 March. Earnings for the 15-month financial period from 1 January 2014 to 31 March 2015 was prorated to derive the earnings for the LTM period.
- (6) The historical PERs of Hi-P and Jubilee are excluded from the computation as they are outliers.

The valuation multiples of the Comparable Companies above do not incorporate the premium typically required to acquire control as they reflect the trades of non-controlling stakes.

Based on the above, we note that:

- (i) The historical PER of the Company of approximately 17.4 times as implied by the Offer Price is above the mean and median of the historical PERs of the Comparable Companies;
- (ii) The historical EV/EBITDA ratio of the Company of approximately 5.3 times as implied by the Offer Price is above the range of the historical EV/EBITDA ratios of the Comparable Companies; and
- (iii) The historical P/NAV ratio of the Company of approximately 1.0 times as implied by the Offer Price is above the range of the historical P/NAV ratios of the Comparable Companies.

7.4 NAV and RNAV of the Group

We have considered both the NAV and the RNAV of the Group in assessing the Offer Price.

Based on the Company's latest audited consolidated financial statements as at 30 June 2015, the Group's property, plant and equipment have an aggregate book value of approximately S\$32.7 million and represented approximately 31.7% of the Group's total assets of approximately S\$103.0 million.

In addition, we also note that the Group has significant net cash and cash equivalents (net of total borrowings) which amounted to approximately S\$14.2 million. In assessing the Offer Price, we have therefore also considered both the NAV and the RNAV on an ex-cash basis.

7.4.1 NAV of the Group

NAV is defined to exclude, where applicable, non-controlling interests. The NAV figure provides an estimate of the value of a company assuming the hypothetical sale of all its assets, the proceeds of which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparisons of companies using their NAVs are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies. Where the value of a company's key assets are adjusted to their current market values, the NAV figure derived is referred to as its "**Revalued NAV**".

Based on the Company's audited consolidated financial statements as at 30 June 2015, the NAV of the Group amounted to approximately S\$66.96 million or 23.77 cents per Share. We note that the Offer Price represents a slight premium of approximately 0.97% to the NAV per Share of 23.77 cents per Share as at 30 June 2015.

We have also considered the audited NAV on an ex-cash basis, which assumes deduction of all net cash and cash equivalents (net of total borrowings) from the audited NAV. On an ex-cash basis, the audited NAV of the Group was approximately S\$52.8 million or approximately S\$0.1873 per Share. The ex-cash Offer Price of S\$0.1897 is at a premium of approximately 1.28% above the ex-cash NAV per Share as at 30 June 2015.

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7.4.2 RNAV of the Group

To obtain an estimate of the RNAV of the Group, we have relied upon the Company's audited consolidated financial statements as at 30 June 2015 as a base and made the appropriate adjustments (based on information provided by the Company) to take into account the revaluation of certain properties owned by the Group (the “**Revalued Properties**”) to their open market values as at 30 June 2015.

The Company has commissioned independent valuations of the Revalued Properties. The valuation of the Revalued Properties is carried out on an open market value basis and is according to the current intended uses of the Revalued Properties as advised by the Company's management.

We set out below the open market values of the Revalued Properties and the gross revaluation surplus/(deficit) before deducting any potential tax liabilities arising from the revaluation of the Revalued Properties.

For further details, please refer to the extracts of the Valuation Reports, copies of which are made available for inspection, as referred to in Appendix 6 to the Circular.

Property	Location of Property	Name of Valuer	Open Market Value (\$'000)	Revaluation Surplus/(Deficit) before Potential Tax Liabilities ⁽¹⁾ (\$'000)
Ark@Gambas industrial unit (#02-16)	7 Gambas Crescent #02-16, Ark@Gambas, Singapore 757087	Cushman & Wakefield	795	(18)
Ark@Gambas industrial unit (#02-17)	7 Gambas Crescent #02-17, Ark@Gambas, Singapore 757087	Cushman & Wakefield	798	(18)
2-storey JTC standard detached factory (Woodlands)	17 Woodlands Terrace, Singapore 738442	Cushman & Wakefield	10,500	8,750
Single Storey Detached Factory with Double Storey Office Annex (No. 21)	No. 21, Jalan Gemilang 1, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Darul Takzim	IVPS	1,938	927
Single Storey Detached Factory with Double Storey Office Annex (No. 23)	No. 23, Jalan Gemilang 1, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Darul Takzim	IVPS	1,708	752
Single Storey Detached Factory with Double Office Annex (Ayutthaya)	No.107 Moo 1, Hi-Tech Industrial Estate, Asia-Nakornsawan Road (Highway No. 32), Banglane Subdistrict, Bangpa-In District, Ayutthaya Province	Nexus	2,181	744
Single Storey Detached Factory with Double Office Annex (Chonburi)	No.150 Moo 1, Pinthong 2 Industrial Estate, By Pass-Laemchabang Road (Highway No.331), Nongkham Subdistrict, Sriracha District, Chonburi Province	Nexus	3,770	(955)
Industrial complex comprising 2 buildings (Shanghai)	No. 238 Ri Ying Road (South), Wai Gao Qiao Free Trade Zone, Pudong, Shanghai, the People's Republic of China	DTZ	14,544	8,790
Gross Revaluation Surplus				18,972

Abbreviations:

(1) Cushman & Wakefield: Cushman & Wakefield VHS Pte. Ltd.

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- (2) IVPS: IVPS Property Consultant Sdn. Bhd.
- (3) Nexus: Nexus Property Consultants Co., Ltd.
- (4) DTZ: DTZ Debenham Tie Leung Limited

Note:

- (1) Calculated based on the net book value of the respective properties as at 30 June 2015.

Save for the Revalued Properties and held-for-trading investments, the other assets of the Group have not been revalued for the purpose of determining the RNAV of the Group. We note that it would not be meaningful to commission a valuation of the other assets of the Group as they relate mainly to (i) trade and other receivables, (ii) cash and cash equivalents, and (iii) inventories.

We have considered whether there are any factors which have not been otherwise disclosed in the financial statements of the Group and that are likely to impact the audited NAV of the Group as at 30 June 2015. In this respect, the Directors have confirmed to us, as at the Latest Practicable Date, that to the best of their knowledge and belief, other than that already provided for or disclosed in the Company's latest audited consolidated financial statements as at 30 June 2015:

- (i) Save for the Revalued Properties, there are no material differences between the realisable value of the Group's other assets and their respective book values as at 30 June 2015 which would have a material impact on the NAV of the Group;
- (ii) There are no material acquisitions and disposals of assets by the Group between 30 June 2015 and the Latest Practicable Date, and the Group does not have any plans for any such impending material acquisition or disposal of assets, conversion of the use of its material assets or material change in the nature of the Group's business;
- (iii) Other than that already provided for or disclosed in the Group's financial information as at 30 June 2015, there are no other contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV of the Group as at the Latest Practicable Date;
- (iv) There is no litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole; and
- (v) There are no other intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group.

For the purpose of our assessment of the Offer Price, we set out below the computation of the Group's RNAV as at 30 June 2015.

	(S\$'000)
The Group's audited NAV as at 30 June 2015	66,955
Add: Gross revaluation surplus arising from the Revalued Properties	18,972
Less: Decrease in value of held-for-trading investments	(8)
Less: Potential tax liabilities	(6,298)
RNAV as at 30 June 2015	79,621
RNAV per Share as at 30 June 2015	S\$0.2826
Discount of Offer Price to RNAV per Share as at 30 June 2015	15.1%

Source: Management estimates, audited financial results for FY2015 of the Group and CIMB analysis

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Shareholders should note that the above analysis assumes the hypothetical sale of the assets (including the Revalued Properties) of the Group as at the Latest Practicable Date. The Directors have confirmed to us that the Group does not have current plans for an imminent material disposal and/or conversion of the use of the Group's properties and/or material change in the nature of the Group's business as at the Latest Practicable Date.

We note from the Offer Document that the Offeror has no current intention to (a) make any major changes to the business of the Company; (b) redeploy the fixed assets of the Company and its subsidiaries; or (c) discontinue the employment of the employees of the Company and its subsidiaries, other than in the normal course of business. However, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which the Offeror regards to be in the interests of the Company and/or the Group.

Based on the above, we note that the Offer Price is at a discount of approximately 15.1% to the RNAV per Share of S\$0.2826 as at 30 June 2015.

On an ex-cash basis, the RNAV of the Group as at 30 June 2015 would be approximately S\$65.44 million or approximately S\$0.2323 per Share. The ex-cash Offer Price of S\$0.1897 is at a discount of approximately 18.3% to the ex-cash RNAV per Share.

7.5 Comparison with recently completed privatisations of companies listed on the SGX-ST

As disclosed in section 8.4 of the Offer Document, the Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. Accordingly, the Offeror, if entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take steps for the lifting of any trading suspension of the Shares by the SGX-ST in the event that, *inter alia*, less than 10% of the Shares (excluding treasury shares) are held in public hands. In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

For the purpose of providing an illustrative guide as to whether the financial terms of the Offer are attractive relative to other takeovers of SGX-ST listed companies, we have compared the financial terms of the Offer with those of successful privatisation transactions announced in the 24-month period prior to the Latest Practicable Date ("**Precedent Takeovers**") These Precedent Takeovers were carried out either by way of voluntary delisting exit offers under Rule 1307 of the Listing Manual or general takeover offers under the Code where the offeror has stated its intention to delist the listed company from the SGX-ST.

We wish to highlight that the premium that an offeror pays in any particular takeover depends on various factors such as the potential synergy that the offeror can gain by acquiring the target, the presence of competing bids for the target, prevailing market conditions and sentiments, attractiveness and profile of the target's business and assets, size of consideration and existing and desired level of control in the target. The comparison below is made without taking into consideration the underlying liquidity of the shares and the performance of the shares of the relevant companies below. Further, the list of target companies involved in the Precedent Takeovers set out in the analysis below are not directly comparable with the Company in terms of size of operations, market capitalisation, business activities, asset base, geographical spread, track record, accounting policy, financial performance, operating and financial leverage, future prospects and other relevant criteria. Hence, the comparison of the Offer with the Precedent Takeovers set out below is for illustration purposes only. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Company.

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A summary of the relevant financial terms of the Precedent Takeovers is set out below.

	Date of Announcement	Premium / (Discount) to Pre- Announcement Share Price ⁽¹⁾			P/NAV (times)	P/RNAV (times)
		Last transacted	1-month	3-month		
		(%)	(%)	(%)		
Delistings						
Internet Technology Group Limited	25-Sep-13	35.3	9.0	5.7	0.9	0.7
Consciencefood Holdings Limited	28-Sep-13	23.5	23.3	18.0	0.9	n/a
Devotion Energy Group Limited	07-Oct-13	23.4	24.2	25.0	0.8	0.8
Medi-Flex Limited	11-Oct-13	15.4	21.0	27.1	3.2	n/a
China Energy Limited	11-Nov-13	(14.8)	(13.0)	(20.6)	2.3	4.9
WBL Corporation Limited	19-Nov-13	27.0	26.2	24.3	1.3	n/a
Malacca Trust Limited	23-Dec-13	15.4	15.4	15.4	2.1	n/a
Chemoil Energy Limited	25-Feb-14	29.0	31.1	32.5	0.9	n/a
Asia Power Corporation Limited	24-Mar-14	0.0	1.2	2.1	0.6	n/a
China XLX Fertiliser Ltd.	31-Mar-14	23.1	28.9	24.8	0.8	n/a
EUNetworks Group Limited	17-Nov-14	32.6	58.4	69.2	1.9	n/a
Action Asia Limited	27-Feb-15	69.6	67.6	66.7	0.8	0.8
Privatisations						
Superbowl Holdings Limited	07-Oct-13	15.4	34.9	41.0	2.1	0.6
People's Food Holdings Limited	19-Oct-13	2.6	4.2	10.0	1.2	n/a
Singapore Land Limited	24-Feb-14	11.2	16.9	13.9	0.7	0.7
CapitaMalls Asia Limited	14-Apr-14	23.0	27.0	25.5	1.2	0.8
ASJ Holdings Limited	07-May-14	18.2	43.7	55.4	0.8	0.7
Lee Kim Tah Holdings Limited	25-Sep-14	6.4	11.8	12.3	1.0	1.0
UE E&C Ltd	03-Oct-14	(2.3)	1.5	1.5	1.3	1.2
Perennial China Retail Trust	27-Oct-14	29.6	34.0	33.0	0.9	n/a
Forterra Trust	04-Nov-14	32.4	51.1	49.7	0.6	0.6
ECS Holdings Limited	14-Nov-14	11.5	9.0	11.5	0.6	n/a
Popular Holdings Limited	14-Jan-15	39.1	39.7	37.3	1.1	1.1
Keppel Land Limited	23-Jan-15	20.0	25.0	29.0	0.9	0.7
High		69.6	67.6	69.2	3.2	4.9
Low		(14.8)	(13.0)	(20.6)	0.6	0.6
Mean		20.3	24.7	25.4	1.2	1.1
Median		21.5	24.6	24.9	0.9	0.8
The Company (implied by the Offer Price)	1-Sept-15	21.2	26.3	27.0	1.0	0.8

Source: Bloomberg L.P., respective SGX-ST announcements and circulars to shareholders

Note:

- (1) The premium/discount calculated in relation to the closing price of the respective companies 1 day prior to the respective announcement dates and the VWAP of the 1-month and 3-month periods prior to the respective announcement dates.

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Based on the above, we note that:

- (i) The premium implied by the Offer Price over the VWAP for the 1 month period prior to the Offer Announcement Date and VWAP for the 3 month period prior to the Offer Announcement Date are above the corresponding mean and median premium of the Precedent Takeovers;
- (ii) The premium implied by the Offer Price over the last transacted price prior to the Offer Announcement Date is below the median but above the mean of the corresponding premium of the Precedent Takeovers;
- (iii) The P/NAV multiple of approximately 1.0 times as implied by the Offer Price is below the mean but above the median of the corresponding P/NAV multiples of the Precedent Takeovers; and
- (iv) The P/RNAV multiple of approximately 0.8 times as implied by the Offer Price is below the mean but equal to the median of the corresponding P/RNAV multiples of the Precedent Takeovers.

7.6 Dividend Track Record of the Company and Other Alternative Investments

For the purpose of assessing the Offer Price, we have considered the dividend track record of the Company against the potential returns which a Shareholder may potentially obtain by reinvesting the proceeds from the Offer in other comparable investments.

7.6.1 Historical Dividends Paid by the Company

The dividends declared by the Company in respect of the last three financial years are set out below:

Financial Year	FY2013	FY2014	FY2015 ⁽¹⁾
Total dividend per Share	0.66 cents	0.72 cents	0.83 cents
Earnings per Share	0.43 cents	1.18 cents	1.36 cents
Dividend payout ratio ⁽²⁾	153%	61%	61%
Dividend yield (implied by the Offer Price) ⁽³⁾	2.8%	3.0%	3.5%

Source: Bloomberg L.P., the Company's annual reports and CIMB analysis

Notes:

- (1) As set out in section 3.6 of this letter, we note that the Offeror, as a majority shareholder of the Company, intends and is able to vote against any Shareholders' resolution to approve the payment of any dividends of the Company at the upcoming 17th annual general meeting of the Company.
- (2) Based on the total dividend per Share for the respective financial year divided by the diluted earnings per Share for the respective financial year.
- (3) Based on the total dividend per Share as calculated for the respective financial year divided by the Offer Price.

Based on the above, we note that over the last three financial years, the Company had declared annual dividends per Share ranging from 0.66 cents to 0.83 cents per financial year, representing dividend yields (implied by the Offer Price) of approximately 2.8% to approximately 3.5% over the same period.

Although the Company has been consistently declaring dividends in each financial year, there is no assurance that the Company will continue to pay dividends in the future or maintain the level of dividends paid in previous periods. Furthermore, the Management have confirmed to us that the Company does not have a fixed dividend policy. As such, the quantum of dividends paid by the Company in any year would depend on various factors including but not limited to the financial performance of the Group, its working capital and capital expenditure needs as well as other considerations. We note that the dividend payout ratio has decreased from 153% for FY2013 to 61% for FY2014 and has remained the same from FY2014 to FY2015.

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7.6.2 Investments in Selected Alternative Investments

Shareholders who accept the Offer may re-invest the proceeds in selected alternative investments including the shares of the Comparable Companies that paid dividends and/or a broad market index instrument such as the SPDR Straits Times Index Exchange Traded Fund (“**STI ETF**”). For illustrative purposes only, the dividend yields of these selected alternative investments based on their ordinary cash dividends declared in their respective last financial year are as follows:

Company	Financial Year End	Dividend Yield (%)
Fischer	31-Mar-15	1.2%
Hi-P	31-Dec-14	2.7%
Memtech	31-Dec-14	5.1%
Sunningdale	31-Dec-14	4.9%
Mean		3.5%
STI ETF	30-Jun-15	3.3%
The Company	30-Jun-14	3.0%
(implied by the Offer Price)	30-Jun-15	3.5%⁽¹⁾

Note:

- (1) As set out in section 3.6 of this letter, we note that the Offeror, as a majority shareholder of the Company, intends and is able to vote against any Shareholders’ resolution to approve the payment of any dividends of the Company at the upcoming 17th annual general meeting of the Company.

We note that the Company’s dividend yield for FY2014 as implied by the Offer Price is within the range of the dividend yield of its Comparable Companies and lower than the dividend yield of the STI ETF.

For FY2015, we note that the Company’s dividend yield as implied by the Offer Price is within the range of the dividend yield of its Comparable Companies and higher than the dividend yield of the STI ETF. However, we note that the Offeror has stated its intention to vote against any resolution to approve the payment of the FY2015 dividend payout.

7.7 Other Relevant Considerations

7.7.1 Outlook of the Group

As disclosed by the Company in the announcement of its audited financial results for FY2015 and as set out in section 7.1 of this letter, the Company has stated that:

“Demand for the Singapore operation’s appliance motor, commercial equipment, medical devices as well as data media storage products is expected to remain strong. The Group may expand capacity to cater for this increase in demand. The Malaysia operation’s commercial equipment and transportation machinery products will continue to grow. Orders for the Thailand operation’s communication products are expected to be weak. The Chonburi plant will commence operation in FY2016 and is expected to contribute to the Group in future years. Automotive, printing and imaging and retail solution products will continue to contribute to revenue for the China operations. The China operation will also launch several new programs in FY2016.

The Group is mindful that challenges including the possible effects from the slow growth and volatile global economy, fluctuations in exchange rates, increase in operating costs and competitive price pressures, will affect its business and profitability. We will continue to build on our core competence as a precision component supplier and intensify efforts to develop innovative solutions in collaboration with existing and new customers.”

7.7.2 Offeror's Intentions for the Company

As set out in section 8 of the Offer Document, we note that the Offeror currently does not intend to make changes to the management team of the Company, but will propose the appointment of directors to the Company as soon as practicable. Furthermore, the Offeror has no current intention to (a) make any major changes to the business of the Company; (b) redeploy the fixed assets of the Company and its subsidiaries; or (c) discontinue the employment of the employees of the Company and its subsidiaries, other than in the normal course of business.

However, we note that the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which the Offeror regards to be in the interests of the Company and/or the Group.

7.7.3 Listing Status and Compulsory Acquisition

We note that the Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. Accordingly, the Offeror, if entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take steps for the lifting of any trading suspension of the Shares by the SGX-ST in the event that, *inter alia*, less than 10% of the Shares (excluding treasury shares) are held in public hands. In addition, we also note that the Company also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

The text stating the Offeror's intentions relating to the listing status and compulsory acquisition of the Company has been extracted from section 9 of the Offer Document and reproduced in italics below.

- 9.1 **Compulsory Acquisition under Section 215(1) of the Companies Act.** Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer of not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held as treasury shares), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer ("**Dissenting Shareholders**") on the same terms as those offered under the Offer. In such an event, the Offeror intends to exercise its rights of compulsory acquisition.
- 9.2 **Compulsory Acquisition under Section 215(3) of the Companies Act.** Pursuant to Section 215(3) of the Companies Act, if the Offeror or its nominees acquires, pursuant to the Offer, such number of Shares which, together with Shares held by it, its related corporations and their respective nominees, comprise 90% or more of the total number of issued Shares (excluding any Shares held as treasury shares), the Dissenting Shareholders have a right to require the Offeror to acquire their Shares on the same terms as those offered under the Offer. Shareholders who wish to exercise such a right, if any, are advised to seek their own independent legal advice.
- 9.3 **Listing Status.** Under Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with the Offeror to above 90% of the total number of issued Shares (excluding any Shares held as treasury shares), the SGX-ST may suspend the listing of the Shares in the Ready and Unit Share markets until such time it is satisfied that at least 10% of the total number of issued Shares (excluding any Shares held as treasury shares) are held by at least 500 Shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding any Shares held as treasury shares), thus causing the percentage of the total number of issued Shares (excluding any Shares held as treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

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In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding any Shares held as treasury shares) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.

*In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724(1), Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror does not intend to undertake or support any action for any such trading suspension by the SGX-ST to be lifted. **It is the intention of the Offeror to privatise the Company and to delist the Company from the SGX-ST, should the option be available to the Offeror.***

We note that as at the Latest Practicable Date, the Company's free float is approximately 43.08% of the Shares in issue.

7.7.4 No Alternative Offer

As at the Latest Practicable Date, there is no publicly available evidence of any alternative offer for the Shares. Further, the Directors have also confirmed that as at the Latest Practicable Date, apart from the Offer, the Company has not received any other offer from any other party.

7.7.5 Offer is unconditional

The Offeror has announced that as at 5.00 p.m. (Singapore time) on 18 September 2015, the Offeror and parties acting in concert with it owned, controlled, have acquired or agreed to acquire an aggregate of 158,089,153 Shares, representing more than 50% of the total issued Shares and the maximum potential issued Shares in the capital of the Company respectively. **Accordingly, the Offer has become unconditional as to acceptances and has been declared unconditional in all respects as at the Latest Practicable Date.**

7.7.6 Extension of Closing Date

The first closing date of the Offer is 5.30 p.m. (Singapore time) on 13 October 2015. Pursuant to Rule 22.6 of the Code, as the Offer is unconditional in all respects (including as to acceptances), the Offer will remain open for acceptance until **5.30 p.m. (Singapore time) on 27 October 2015**, being not less than 14 days after the date on which it would otherwise have closed, in order to give Shareholders who have not accepted the Offer the opportunity to do so. Shareholders should therefore take note of further announcements as may be made from time to time by the Offeror in respect of the final closing date of the Offer.

8. SUMMARY OF ANALYSIS

In arriving at our advice to the Independent Directors on the Offer, we have considered, *inter alia*, the following factors which should be read in the context of the full text of this letter:

- (i) The Group's financial performance has been positive for the last three financial years as shown by increasing revenue and profitability;
- (ii) The Group is in a net cash position as at the end of the last three completed financial years;
- (iii) The Shares have not traded at or above the Offer Price for the last three years prior to the Offer Announcement Date;
- (iv) The Offer Price represents a premium of approximately 60.0%, 51.9%, 38.7%, 33.3%, 27.0% and 26.3% above the VWAP of the Shares for the 3-year, 2-year, 1-year, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date respectively;
- (v) The Offer Price represents a premium of approximately 21.2% above the last traded price of the Shares of S\$0.198 on the Last Trading Day;

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- (vi) The Shares traded between a low of S\$0.235 and a high of S\$0.240 for the period after the Offer Announcement Date up to the Latest Practicable Date;
- (vii) It is likely that the market prices of the Shares after the Offer Announcement Date is highly influenced by the Offer and may not be maintained at such levels after the close of the Offer;
- (viii) The Offer Price represents a slight premium of approximately 0.8% above the VWAP of the Shares for the period after the Offer Announcement Date up to the Latest Practicable Date;
- (ix) The Offer Price is equal to the last traded price of the Shares as at the Latest Practicable Date;
- (x) The average daily traded volume of the Shares for the 3-year, 2-year, 1-year, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date represented approximately 0.13%, 0.14%, 0.17%, 0.24%, 0.30% and 0.49% of the free float of the Shares respectively;
- (xi) The traded volume of the Shares on the Last Trading Day represented approximately 1.13% of the free float of the Shares;
- (xii) For the period after the Offer Announcement Date up to the Latest Practicable Date, the average daily traded volume of the Shares represented approximately 1.17% of the free float of the Shares;
- (xiii) It is likely that the increase in trading volume of the Shares after the Offer Announcement Date is highly influenced by the Offer and may not be maintained at such levels after the close of the Offer;
- (xiv) The average daily traded volume of the Shares on the Latest Practicable Date represented approximately 0.18% of the free float of the Shares;
- (xv) The Shares have generally outperformed the overall Singapore stock market since September 2013 up to the Latest Practicable Date;
- (xvi) The historical PER of the Company of approximately 17.4 times as implied by the Offer Price is above the mean and median of the historical PERs of the Comparable Companies;
- (xvii) The historical EV/EBITDA ratio of the Company of approximately 5.3 times as implied by the Offer Price is above the range of the historical EV/EBITDA ratios of the Comparable Companies;
- (xviii) The historical P/NAV ratio of the Company of approximately 1.0 times as implied by the Offer Price is above the range of the historical P/NAV ratios of the Comparable Companies;
- (xix) The Offer Price represents a slight premium of approximately 0.97% to the NAV per Share of 23.77 cents per Share as at 30 June 2015;
- (xx) The ex-cash Offer Price of S\$0.1897 is at a premium of approximately 1.28% above the ex-cash NAV per Share as at 30 June 2015;
- (xxi) The Offer Price is at a discount of approximately 15.1% to the RNAV per Share of S\$0.2826 as at 30 June 2015;
- (xxii) The ex-cash Offer Price of S\$0.1897 is at a discount of approximately 18.3% to the ex-cash RNAV per Share;
- (xxiii) The premium implied by the Offer Price over the VWAP for the 1 month period prior to the Offer Announcement Date and VWAP for the 3 month period prior to the Offer Announcement Date are above the corresponding mean and median premium of the Precedent Takeovers;

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- (xxiv) The premium implied by the Offer Price over the last transacted price prior to the Offer Announcement Date is below the median but above the mean of the corresponding premium of the Precedent Takeovers;
- (xxv) The P/NAV multiple of approximately 1.0 times as implied by the Offer Price is below the mean but above the median of the corresponding P/NAV multiples of the Precedent Takeovers;
- (xxvi) The P/RNAV multiple of approximately 0.8 times as implied by the Offer Price is below the mean but equal to the median of the corresponding P/RNAV multiples of the Precedent Takeovers;
- (xxvii) The Company had declared annual dividends per Share ranging from 0.66 cents to 0.83 cents per financial year, representing dividend yields (implied by the Offer Price) of approximately 2.8% to approximately 3.5% over the same period. We note that the FY2015 dividend payout is not likely to be approved at the upcoming annual general meeting of the Company;
- (xxviii) The Company's dividend yield for FY2014 as implied by the Offer Price is within the range of the dividend yield of its Comparable Companies and lower than the dividend yield of the STI ETF;
- (xxix) The Company's dividend yield for FY2015 as implied by the Offer Price is within the range of the dividend yield of its Comparable Companies and higher than the dividend yield of the STI ETF; and
- (xxx) Other relevant considerations as set out in section 7.7 of this letter.

Based upon, and having considered, *inter alia*, the factors described above and the information that has been made available to us at the Latest Practicable Date, we are of the opinion that the financial terms of the Offer are fair and reasonable under the market, economic and other relevant conditions prevailing as at the Latest Practicable Date.

Accordingly, the Independent Directors may wish to consider advising the Shareholders as follows:

Shareholders who wish to take this opportunity to realise their investments in the Company in the near term and/or who are not confident and optimistic about their equity investments in the Company and/or are not prepared to accept the uncertainties facing the future prospects of the Company under the control of the Offeror, may **ACCEPT** the Offer or sell their Shares on the open market if they can obtain a price higher than the Offer Price, after taking into account all relevant expenses such as brokerage commissions in connection with open market transactions.

Shareholders who do not wish to accept the Offer should be aware that they will be subject to the general risks and rewards associated with equity investments, including but not limited to fluctuations in the price and trading liquidity of the Shares. The Offeror also does not intend to preserve the listing status of the Company and reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

Shareholders should also note that in the 3-year period leading up to the Offer Announcement Date, the Shares have not traded at or above the Offer Price and it appears likely that the market prices of the Shares after the Offer Announcement Date is highly influenced by the Offer and may not be maintained at such levels after the close of the Offer.

We would also advise the Independent Directors to caution the Shareholders that they should not rely on our advice to the Independent Directors as the sole basis for deciding whether or not to accept the Offer.

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In rendering the above advice, we have not had regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Yours faithfully

For and on behalf of

CIMB BANK BERHAD, SINGAPORE BRANCH

MAH KAH LOON

MANAGING DIRECTOR AND HEAD
INVESTMENT BANKING

ERIC WONG

DIRECTOR
INVESTMENT BANKING

APPENDIX 2 – GENERAL INFORMATION

1. DIRECTORS

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Description
Mr Aloysius Lim Cher Kia	12 Jalan Yasin Singapore 417986	Executive Chairman
Mr Chow Kok Hwee	93 Robertson Quay #40-05 Rivergate Singapore 238255	Executive Director and Chief Executive Officer
Ms Soong Wee Choo	28 Kim Tian Road #30-08 Twin Regency Singapore 169278	Executive Director and Chief Financial Officer
Mr Chew Heng Ching	38 Siglap Plain Singapore 456027	Independent Director
Mr Chow Kok Kee	107 Lorong J Telok Kurau Singapore 425935	Independent Director
Mr Henry Tan Song Kok	53 Jalan Leban Sembawang Hills Estate Singapore 577590	Independent Director

2. HISTORY

The Company was incorporated in Singapore on 4 September 1998. It was listed on the Main Board of the SGX-ST on 26 February 1999.

3. PRINCIPAL ACTIVITIES

The principal activities of the Company are those relating to investment holding and providing management services to its subsidiaries, while the principal activities of its subsidiaries consist of the business of plastic injection moulding and sub-assembly as well as secondary processes and sale of plastic components mainly for computer peripherals, consumer electronics, automotive, medical devices, communication, semiconductor and disk drive industries. The subsidiaries also provide product design and development, mould design and fabrication as well as electronics assembly services. The Group has advanced manufacturing facilities located in Singapore, Malaysia, Thailand and China (Dongguan, Wuxi and Shanghai).

4. SHARE CAPITAL

4.1 Issued Capital

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$32,639,473.47 comprising 281,721,327 Shares (excluding 5,225,097 treasury shares). The Shares are ordinary shares carrying equal ranking rights to dividends, voting at general meetings and return of capital. The Company does not have any other class of share capital as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company has not issued any Shares since the end of FY2015.

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There is no restriction in the Memorandum and Articles of Association of the Company on the right to transfer any Shares, which has the effect of requiring the holders of Offer Shares, before transferring them, to offer them for purchase to other members of the Company or to any other person.

4.2 Rights in respect of Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Articles of Association of the Company. For ease of reference, selected texts of the Articles of Association of the Company relating to the same have been extracted and reproduced in Appendix 5 to this Circular.

5. COMPANY CONVERTIBLE SECURITIES AND SHARE AWARDS

5.1 Company Convertible Securities

As at the Latest Practicable Date, there are no Company Convertible Securities.

5.2 Share Awards

- 5.2.1 On 1 September 2014, the Company granted the first batch of Share Awards amounting to 2,547,310 Share Awards to eligible participants pursuant to the Scheme (“2014 Share Awards”). The last done market price per Share on 1 September 2014 was S\$0.16. 936,124 Share Awards (being Share Awards granted to a controlling shareholder and the independent directors of the Company) of the 2014 Share Awards were subject to the approval of Shareholders, which approval was obtained at the annual general meeting of the Company held on 28 October 2014. The 2014 Share Awards are to be vested over three years, with the first one-third (849,103 Share Awards) already vested and released on 29 October 2014 pursuant to which 849,103 treasury shares were transferred to the relevant grantees of the 2014 Share Awards. Each subsequent one-third of the 2014 Share Awards is to be vested and released 12 months from 29 October 2014 and 24 months from 29 October 2014 respectively.
- 5.2.2 On 26 August 2015, the Company granted the second batch of Share Awards amounting to 2,709,569 Share Awards to eligible participants pursuant to the Scheme (“2015 Share Awards”). The last done market price per Share on 26 August 2015 was S\$0.17. 866,921 Share Awards (being Share Awards granted to a controlling shareholder and the independent directors of the Company) of the 2015 Share Awards are subject to the approval of Shareholders at the annual general meeting of the Company to be held on 16 October 2015. The 2015 Share Awards (of which 866,921 Share Awards are subject to the approval of Shareholders as aforesaid) are also to be vested over three years, with one-third each to be vested and released on 29 October 2015, 12 months from 29 October 2015 and 24 months from 29 October 2015 respectively.
- 5.2.3 Participants were not required to pay for the grant of the Share Awards or the Shares released or to be released pursuant to the vesting of the Share Awards.
- 5.2.4 Save as disclosed above, there were no Share Awards granted by the Company.
- 5.2.5 As at the Latest Practicable Date, there are 4,322,800 Share Awards that have been granted (including an aggregate 866,921 Share Awards granted to Mr Aloysius Lim Cher Kia (Executive Chairman) and the three independent directors of the Company on 26 August 2015 and which grants are subject to approval by Shareholders at the annual general meeting of the Company to be held on 16 October 2015) but not yet vested.
- 5.2.6 Under the rules of the Scheme, the committee administering the Scheme (“Scheme Committee”) may amend or waive the vesting period and the release schedule in respect of any Share Award in the event of a take-over offer being made for the Shares, and without prejudice to the foregoing, if before the vesting date, a take-over offer for the Shares becomes or is declared unconditional, the Scheme Committee will consider, at its discretion, and subject to any legal or regulatory requirements, whether or not to release any Share Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by the participants.

APPENDIX 2 – GENERAL INFORMATION

5.2.7 The Company has obtained SIC's confirmation that it has no objection to the amendment or waiver of the vesting period and/or release schedule by the Scheme Committee pursuant to the rules of the Scheme to vest and release all outstanding Share Awards prior to the close of the Offer, save that the Scheme Committee may only proceed with the amendment or waiver of the vesting period and/or release schedule of those 2015 Share Awards which are subject to Shareholders' approval after the requisite Shareholders' approval is obtained.

6. DISCLOSURE OF INTERESTS

6.1 Interests of the Company in Offeror Shares and Offeror Convertible Securities

As at the Latest Practicable Date, neither the Company nor its subsidiaries have any direct or indirect interests in Offeror Shares or Offeror Convertible Securities.

6.2 Dealings in Offeror Shares and Offeror Convertible Securities by the Company

Neither the Company nor its subsidiaries have dealt in Offeror Shares or Offeror Convertible Securities during the period commencing six months prior to 1 September 2015, being the Offer Announcement Date, and ending on the Latest Practicable Date.

6.3 Interests of the Directors in Offeror Shares and Offeror Convertible Securities

None of the Directors have any direct or indirect interests in Offeror Shares or Offeror Convertible Securities as at the Latest Practicable Date.

6.4 Dealings in Offeror Shares and Offeror Convertible Securities by the Directors

None of the Directors have dealt in Offeror Shares or Offeror Convertible Securities during the period commencing six months prior to 1 September 2015, being the Offer Announcement Date, and ending on the Latest Practicable Date.

6.5 Interests of the Directors in Shares and Company Convertible Securities

Save as disclosed below, and as at the Latest Practicable Date, none of the Directors have an interest, direct or indirect, in Shares or Company Convertible Securities.

Directors	Direct Interest		Shares Deemed Interest		Total		Number of Share Awards ⁽²⁾ outstanding
	Number	% ⁽¹⁾	Number	% ⁽¹⁾	Number	% ⁽¹⁾	
Aloysius Lim Cher Kia ⁽³⁾	-	-	-	-	-	-	338,563 ⁽⁴⁾
Chow Kok Hwee ⁽³⁾	-	-	-	-	-	-	746,138
Soong Wee Choo ⁽³⁾	-	-	-	-	-	-	532,956
Chew Heng Ching	250,986	0.09	-	-	250,986	0.09	101,971 ⁽⁴⁾
Chow Kok Kee	145,887	0.05	-	-	145,887	0.05	91,774 ⁽⁴⁾
Henry Tan Song Kok	596,043	0.21	-	-	596,043	0.21	91,774 ⁽⁴⁾

Notes:

(1) Based on 281,721,327 Shares (excluding treasury shares) as at the Latest Practicable Date.

(2) For more information on Share Awards, please refer to paragraph 5.2 of this Appendix 2.

(3) As stated in paragraph 6.9 below, each of Mr Aloysius Lim Cher Kia, Mr Chow Kok Hwee and Ms Soong Wee Choo has accepted or procured the acceptance of the Offer in respect of their respective Committed Shares pursuant to their Irrevocable Undertakings.

(4) These figures do not include the Share Awards granted to the four Directors on 26 August 2015 as these Share Awards are subject to approval by Shareholders at the annual general meeting of the Company to be held on 16 October 2015.

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6.6 Dealings in Shares and Company Convertible Securities by the Directors

On 26 August 2015, the Company granted Share Awards to the Directors as follows:

Directors	Number of Share Awards ⁽¹⁾ granted to Directors
Aloysius Lim Cher Kia	514,167 ⁽²⁾
Chow Kok Hwee	449,895
Soong Wee Choo	321,354
Chew Heng Ching	122,484 ⁽²⁾
Chow Kok Kee	115,135 ⁽²⁾
Henry Tan Song Kok	115,135 ⁽²⁾

Notes:

(1) For more information on Share Awards, please refer to paragraph 5.2 of this Appendix 2.

(2) Subject to approval by Shareholders at the annual general meeting of the Company to be held on 16 October 2015.

Save as disclosed above and in Section 3 of this Circular, none of the Directors have dealt in Shares or Company Convertible Securities during the period commencing six months prior to 1 September 2015, being the Offer Announcement Date, and ending on the Latest Practicable Date.

6.7 Interests of the IFA in Shares and Company Convertible Securities

As at the Latest Practicable Date, CIMB Securities (Singapore) Pte. Ltd., a related corporation of the IFA, owns 94 Shares. Besides the aforesaid, the IFA, its other related corporations and funds whose investments are managed by the IFA on a discretionary basis do not own or control any Shares and Company Convertible Securities as at the Latest Practicable Date.

6.8 Dealings in Shares and Company Convertible Securities by the IFA

During the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date (the "Reference Period"), CIMB Securities (Singapore) Pte. Ltd., a related corporation of the IFA, acquired 94 Shares at a price of S\$0.09 per Share on 5 May 2015. Besides the aforesaid, neither the IFA, its other related corporations and funds whose investments are managed by the IFA on a discretionary basis have dealt for value in Shares or Company Convertible Securities during the Reference Period.

6.9 Directors accepting the Offer

As stated in section 2.6 of this Circular, each of Mr Aloysius Lim Cher Kia, Mr Chow Kok Hwee and Ms Soong Wee Choo has accepted or procured the acceptance of the Offer in respect of their respective Committed Shares pursuant to their Irrevocable Undertakings.

Mr Chew Heng Ching, Mr Chow Kok Kee and Mr Henry Tan Song Kok have informed the Company that they intend to accept the Offer in respect of their shareholdings in the Company.

7. OTHER DISCLOSURES

7.1 Directors' Service Contracts

7.1.1 As at the Latest Practicable Date, there are no service contracts between any Director or proposed director and the Company or any of its subsidiaries with more than 12 months to run and which cannot be terminated by the employing company within the next 12 months without paying any compensation.

7.1.2 Each of the three executive Directors, namely Mr Aloysius Lim Cher Kia, Mr Chow Kok Hwee and Ms Soong Wee Choo, entered into a service agreement with the Company on 5 June 2015 ("New Agreement") whereby they will continue to be appointed by the Company for two years commencing on 1 July 2015 and expiring on 30 June 2017 subject to provisions relating to termination of

APPENDIX 2 – GENERAL INFORMATION

appointment. The three New Agreements supersede the three agreements entered into by the Company and the three executive Directors on 18 June 2013 (“Old Agreements”) whereby they were appointed by the Company for a two-year term which expired on 30 June 2015. Other than the period of appointment, the terms of the New Agreements are the same as those in the Old Agreements in all material respects.

- 7.1.3 Save as disclosed above, there are no service contracts entered into or amended between any Director or proposed director and the Company or any of its subsidiaries during the period between the start of six months preceding 1 September 2015, being the Offer Announcement Date, and the Latest Practicable Date.

7.2 No Payment or Benefit to Directors

As at the Latest Practicable Date, it is not proposed, in connection with the Offer, that any payment or other benefit be made or given to any Director or to any director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the Company as compensation for loss of office or otherwise in connection with the Offer.

7.3 No Agreement Conditional upon Outcome of the Offer

Save as disclosed in Section 3 of this Circular, as at the Latest Practicable Date, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer.

7.4 Material Contracts entered into by the Offeror

Save as disclosed in Section 3 of this Circular, as at the Latest Practicable Date, there are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect.

7.5 Share Buyback

Particulars of purchases of Shares made by the Company during the period commencing six months prior to 1 September 2015, being the Offer Announcement Date, and ending on the Latest Practicable Date (pursuant to the share purchase mandate renewed at the annual general meeting of the Company held on 28 October 2014) are as follows:

Date of purchase	Total number of Shares purchased	Price paid for each Share			Total consideration ⁽¹⁾ paid for the Shares S\$
		Highest S\$	Lowest S\$	Single S\$	
3 March 2015	173,500	0.145	0.143	-	25,137.08
4 March 2015	111,300	0.145	0.143	-	16,209.35
6 March 2015	101,000	-	-	0.146	14,831.21
18 March 2015	450,000	0.150	0.148	-	67,216.47
25 March 2015	314,000	0.154	0.149	-	48,029.04
31 March 2015	3,000	-	-	0.155	508.00
2 April 2015	48,200	-	-	0.158	7,661.66
10 April 2015	73,800	0.157	0.155	-	11,532.54
13 April 2015	100,000	0.160	0.155	-	15,658.95
22 April 2015	45,500	0.160	0.157	-	7,234.41
5 May 2015	110,000	0.163	0.162	-	17,993.77
7 May 2015	50,000	0.162	0.161	-	8,125.68
8 May 2015	175,400	0.166	0.162	-	28,741.27
11 May 2015	59,000	-	-	0.169	10,028.62
13 May 2015	41,000	0.169	0.163	-	6,836.53
15 May 2015	213,800	0.170	0.160	-	35,900.15
18 May 2015	150,000	0.171	0.169	-	25,556.81

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Date of purchase	Total number of Shares purchased	Price paid for each Share			Total consideration ⁽¹⁾ paid for the Shares S\$
		Highest S\$	Lowest S\$	Single S\$	
20 May 2015	320,000	0.176	0.171	-	55,639.93
21 May 2015	100,000	-	-	0.175	17,601.12
22 May 2015	250,000	0.180	0.176	-	44,608.76

Note:

(1) includes related costs and charges.

8. FINANCIAL INFORMATION ON THE GROUP

Set out below is certain financial information extracted from the audited consolidated financial statements of the Group for FY2013, FY2014 and FY2015. The audited consolidated financial statements of the Group for FY2015 are set out in Appendix 4 to this Circular.

CONSOLIDATED INCOME STATEMENTS

	Audited	Audited	Audited
	FY2013 S\$'000	FY2014 S\$'000	FY2015 S\$'000
Revenue	100,504	117,809	117,242
Cost of sales	(96,000)	(109,257)	(107,796)
Gross profit	4,504	8,552	9,446
Other income	1,143	913	860
Distribution expenses	(528)	(697)	(618)
Administrative expenses	(3,289)	(3,680)	(3,567)
Other expenses	(397)	(328)	(713)
Finance costs	(290)	(221)	(194)
Share of results of associate, net of income tax	20	(15)	(12)
Exceptional items	-	-	-
Profit before income tax	1,163	4,524	5,202
Income tax (expense)/credit	12	(1,328)	(1,462)
Profit for the year	1,175	3,196	3,740
Attributable to:			
Owners of the Company	1,240	3,386	3,884
Non-controlling interests	(65)	(190)	(144)
Earnings per Share (cents)			
Basic	0.43	1.18	1.37
Diluted	0.43	1.18	1.36
Net dividends per Share (cents)	0.66	0.72	0.83⁽¹⁾

Note:

- (1) Subject to approval by Shareholders at the annual general meeting of the Company to be held on 16 October 2015. As highlighted in section 2.5 of this Circular, the Offer Document states that the Offeror intends to exercise all voting rights attached to the Shares held by it against the resolution to approve the payment of a final dividend of S\$0.0083 per Share to be considered at the upcoming 17th annual general meeting of the Company.

APPENDIX 2 – GENERAL INFORMATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Audited	Audited	Audited
	FY2013 S\$'000	FY2014 S\$'000	FY2015 S\$'000
Profit for the year	1,175	3,196	3,740
Exchange differences on translation of financial statements of foreign subsidiaries	264	(1,051)	(405)
Income tax on other comprehensive income	-	-	-
Other comprehensive income for the year	264	(1,051)	(405)
Total comprehensive income for the year	1,439	2,145	3,335
Attributable to:			
Owners of the Company	1,504	2,335	3,479
Non-controlling interests	(65)	(190)	(144)

A statement of the assets and liabilities of the Group as at FY2015 are set out in the audited consolidated financial statements of the Group for FY2015 which are enclosed in Appendix 4 to this Circular.

9. MATERIAL CHANGES IN FINANCIAL POSITION

There have been no material changes in the financial position of the Company subsequent to the audited consolidated financial statements of the Group for FY2015, being the last published audited accounts.

10. SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies of the Group is disclosed in Note 2 of the audited consolidated financial statements of the Group for FY2015 which are reproduced in Appendix 4 to this Circular.

11. CHANGES IN ACCOUNTING POLICIES

There is no change in the accounting policy of the Group which will cause the figures disclosed in this Circular not to be comparable to a material extent.

12. MATERIAL CONTRACTS

Neither the Company nor any of its subsidiaries have entered into any material contract with any interested person (not being a contract entered into in the ordinary course of business) during the period beginning three years before 1 September 2015, being the Offer Announcement Date, and ending on the Latest Practicable Date.

13. MATERIAL LITIGATION

Neither the Company nor any of its subsidiaries are engaged in any material litigation as plaintiff or defendant which might materially and adversely affect the financial position of the Group as a whole. The Directors are not aware of any proceedings, pending or threatened, against the Company or any of its subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position of the Group taken as a whole.

14. VALUATION OF PROPERTIES

The Company has commissioned independent valuations of its properties ("Revalued Properties"). Extracts of the valuation reports on the Revalued Properties ("Valuation Reports") are set out in Appendix 6 to this Circular. The full Valuation Reports are available for inspection at the registered office of the Company at No. 17 Woodlands Terrace, Woodlands East Industrial Estate, Singapore 738442 during normal business hours for the period which the Offer remains open for acceptance.

APPENDIX 2 – GENERAL INFORMATION

Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of the valuation. Based on the Valuation Reports and the applicable tax rates as at the Latest Practicable Date, the potential tax liabilities that may be incurred by the Group on the hypothetical disposal of the Revalued Properties is estimated at approximately S\$6,298,000.00. The aforesaid tax liabilities will not crystallise if the Group does not dispose of its interests in the Revalued Properties. As at the Latest Practicable Date, the Company has no immediate plans to dispose of its interests in the Revalued Properties, and as such, the aforesaid tax liabilities are not likely to crystallise.

15. GENERAL

15.1 Costs and Expenses

All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

15.2 Consent of IFA

CIMB Bank Berhad, Singapore Branch has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the IFA Letter (which is appended in Appendix 1 to this Circular) and all references thereto, in the form and context in which they appear in this Circular.

15.3 Consents of Valuers

Each of Cushman & Wakefield VHS Pte. Ltd., IVPS Property Consultant Sdn. Bhd., Nexus Property Consultants Co., Ltd. and DTZ Debenham Tie Leung Limited has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and an extract of its valuation report (which is appended in Appendix 6 to this Circular) and all references thereto, in the form and context in which they appear in this Circular.

15.4 Consent of Auditors

KPMG LLP has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the independent auditors' report relating to the audited consolidated financial statements of the Group for FY2015 (which is appended in Appendix 4 to this Circular) and all references thereto, in the form and context in which they appear in this Circular.

15.5 Consent of Share Registrar

M & C Services Private Limited has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references thereto, in the form and context in which they appear in this Circular.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at No. 17 Woodlands Terrace, Woodlands East Industrial Estate, Singapore 738442 during normal business hours for the period which the Offer remains open for acceptance:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the annual reports of the Company for FY2013, FY2014 and FY2015;
- (c) the audited consolidated financial statements of the Group for FY2015;
- (d) the IFA Letter;
- (e) the full valuation reports in respect of the properties owned by the Group; and
- (f) the letters of consent referred to in paragraph 15 of this Appendix 2.

APPENDIX 3 – ADDITIONAL INFORMATION ON THE OFFEROR

THE OFFEROR

The following information on the Offeror has been extracted from Appendix D to the Offer Document and is reproduced in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“ADDITIONAL INFORMATION ON THE OFFEROR

1. DIRECTORS

The names, addresses and descriptions of all the directors of the Offeror as at the Latest Practicable Date, are as set out below:

Name	Address	Description
Kyle Arnold Shaw Junior	<i>c/o 112 Robinson Road, #05-01 Robinson 112, Singapore 068902</i>	<i>Director</i>
Wong Pei Shan	<i>c/o 112 Robinson Road, #05-01 Robinson 112, Singapore 068902</i>	<i>Director</i>

2. PRINCIPAL ACTIVITIES AND SHARE CAPITAL

The Offeror is a private company limited by shares and was incorporated in Singapore on 27 July 2015. Its principal activity is that of investment holding. As at the Latest Practicable Date, the issued and paid-up share capital of the Offeror is US\$1.00, comprising 1 ordinary share, all of which are held by Clearlake.

3. SUMMARY OF FINANCIAL INFORMATION

As the Offeror was incorporated on 27 July 2015, no audited financial statements of the Offeror have been prepared to date. As no audited financial statements of the Offeror have been prepared to date, there are no significant accounting policies to be noted.

4. MATERIAL CHANGES IN FINANCIAL INFORMATION

As at the Latest Practicable Date, save for the making and financing of the Offer, there has been no known material change in the financial position of the Offeror since the date of its incorporation.

5. REGISTERED OFFICE

The registered office of the Offeror is at 112 Robinson Road, #05-01 Robinson 112, Singapore 068902.”

GENERAL INFORMATION

The following additional information on, *inter alia*, the Offeror and any party acting in concert with the Offeror is extracted from Appendix E to the Offer Document and is reproduced in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“GENERAL INFORMATION

1. MATERIAL CHANGE IN INFORMATION

Save as disclosed in this Offer Document, as far as the Offeror is aware, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

APPENDIX 3 – ADDITIONAL INFORMATION ON THE OFFEROR

2. DISCLOSURES OF INTERESTS

- 2.1 **No Agreement having any Connection with or Dependence upon the Offer.** As at the Latest Practicable Date, save as disclosed in this Offer Document, there is no agreement, arrangement or understanding between (a) the Offeror or any parties acting in concert with the Offeror, and (b) any of the present or recent directors of the Company, or the present or recent Shareholders, having any connection with or dependence upon the Offer.
- 2.2 **Transfer of Offer Shares.** As at the Latest Practicable Date, save as disclosed in this Offer Document, there is no agreement, arrangement or understanding whereby any of the Offer Shares acquired by the Offeror pursuant to the Offer will or may be transferred to any other person. However, the Offeror reserves the right to transfer any of the Offer Shares to any of its related corporations (within the meaning of Section 6 of the Companies Act) or for the purpose of granting security in favour of financial institutions which have extended or shall extend credit facilities to finance the Offer.
- 2.3 **No Payment or Benefit to Chosen Directors.** As at the Latest Practicable Date, save as disclosed in this Offer Document, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any of the director of the Company or any of its related corporations (as defined in the Companies Act) as compensation for loss of office or otherwise in connection with the Offer.
- 2.4 **No Agreement Conditional upon Outcome of Offer.** As at the Latest Practicable Date, save as disclosed in this Offer Document, there is no agreement, arrangement or understanding between (a) the Offeror, and (b) any of the Chosen Directors or any other person, in connection with or conditional upon the outcome of the Offer or otherwise connected with the Offer.
- 2.5 **No Indemnity and Other Arrangements.** As at the Latest Practicable Date, neither the Offeror nor any and parties acting in concert with the Offeror has entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature, relating to the Shares which may be an inducement to deal or refrain from dealing in the Shares.”

APPENDIX 4 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Independent auditors' report

Members of the Company
Chosen Holdings Limited

Report on the financial statements

We have audited the accompanying financial statements of Chosen Holdings Limited (the Company) and its subsidiaries (the Group), which comprise the balance sheets of the Group and the Company as at 30 June 2015, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 60 to 103.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls 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 financial statements and to maintain accountability of assets.

Auditors' 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 about 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 of financial statements that give a true and fair view 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.

APPENDIX 4 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

20 August 2015

APPENDIX 4 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Balance sheets As at 30 June 2015

		Group		Company	
	Note	2015	2014	2015	2014
		\$	\$	\$	\$
Non-current assets					
Property, plant and equipment	3	32,686,269	30,946,975	739,609	591,315
Subsidiaries	4	–	–	21,049,448	21,049,448
Associate	5	–	206,009	–	–
Intangible assets	6	502,249	861,141	–	–
Deferred tax assets	7	658,715	737,446	12,049	7,489
Other long-term assets	8	4,185,737	1,302,370	157,900	185,000
		<u>38,032,970</u>	<u>34,053,941</u>	<u>21,959,006</u>	<u>21,833,252</u>
Current assets					
Inventories	9	13,005,250	13,674,135	–	–
Trade and other receivables	10	30,490,322	29,854,562	70,320	9,569
Amounts due from subsidiaries	11	–	–	18,207,440	17,582,858
Other financial assets	12	156,134	138,387	–	–
Cash and cash equivalents	13	21,302,997	18,636,631	6,574,510	6,208,838
		<u>64,954,703</u>	<u>62,303,715</u>	<u>24,852,270</u>	<u>23,801,265</u>
Total assets		<u>102,987,673</u>	<u>96,357,656</u>	<u>46,811,276</u>	<u>45,634,517</u>
Equity attributable to equity holders of the Company					
Share capital	14	33,450,613	33,450,613	33,450,613	33,450,613
Treasury shares	14	(811,140)	(141,075)	(811,140)	(141,075)
Reserves	15	34,315,422	32,743,181	12,644,271	11,287,175
		<u>66,954,895</u>	<u>66,052,719</u>	<u>45,283,744</u>	<u>44,596,713</u>
Non-controlling interests		(18,089)	126,283	–	–
Total equity		<u>66,936,806</u>	<u>66,179,002</u>	<u>45,283,744</u>	<u>44,596,713</u>
Non-current liabilities					
Deferred tax liabilities	7	1,094,649	1,061,493	–	–
Current liabilities					
Trade and other payables	16	27,570,096	22,583,910	1,527,532	1,037,804
Interest-bearing bank loans (unsecured)	17	7,124,340	6,108,250	–	–
Current tax payable		261,782	425,001	–	–
		<u>34,956,218</u>	<u>29,117,161</u>	<u>1,527,532</u>	<u>1,037,804</u>
Total liabilities		<u>36,050,867</u>	<u>30,178,654</u>	<u>1,527,532</u>	<u>1,037,804</u>
Total equity and liabilities		<u>102,987,673</u>	<u>96,357,656</u>	<u>46,811,276</u>	<u>45,634,517</u>

The accompanying notes form an integral part of these financial statements.

APPENDIX 4 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Consolidated income statement Year ended 30 June 2015

	Note	2015 \$	2014 \$
Revenue	18	117,242,175	117,808,726
Cost of sales		(107,796,159)	(109,256,458)
Gross profit		<u>9,446,016</u>	<u>8,552,268</u>
Other income	19(a)	860,404	912,666
Distribution expenses		(617,579)	(696,452)
Administrative expenses		(3,567,310)	(3,680,589)
Other expenses		(713,470)	(328,307)
Finance costs	21	(194,366)	(221,444)
Share of results of associate, net of income tax		(12,168)	(14,601)
Profit before income tax	19(b)	<u>5,201,527</u>	<u>4,523,541</u>
Income tax expense	22	(1,462,200)	(1,327,839)
Profit for the year		<u><u>3,739,327</u></u>	<u><u>3,195,702</u></u>
Attributable to:			
Owners of the Company		3,883,699	3,385,424
Non-controlling interests		(144,372)	(189,722)
Profit for the year		<u><u>3,739,327</u></u>	<u><u>3,195,702</u></u>
Earnings per share (in cents):			
Basic	23	<u>1.37</u>	<u>1.18</u>
Diluted	23	<u>1.36</u>	<u>1.18</u>

The accompanying notes form an integral part of these financial statements.

**APPENDIX 4 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF THE GROUP FOR FY2015**

**Consolidated statement of comprehensive income
Year ended 30 June 2015**

	2015	2014
	\$	\$
Profit for the year	3,739,327	3,195,702
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign subsidiaries	(403,940)	(1,050,464)
Income tax on other comprehensive income	–	–
Other comprehensive income for the year	(403,940)	(1,050,464)
Total comprehensive income for the year	3,335,387	2,145,238
Attributable to:		
Owners of the Company	3,479,759	2,334,960
Non-controlling interests	(144,372)	(189,722)
Total comprehensive income for the year	3,335,387	2,145,238

The accompanying notes form an integral part of these financial statements.

**APPENDIX 4 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF THE GROUP FOR FY2015**

**Statement of changes in equity
Year ended 30 June 2015**

	← Attributable to equity holders of the Company →					
	Share capital	Treasury shares	Statutory reserves	Foreign currency translation reserve	Accumulated profits	Total
	\$	\$	\$	\$	\$	\$
At 1 July 2013	33,450,613	–	807,011	(3,380,073)	34,875,129	65,752,680
Total comprehensive income for the year						
Profit or loss	–	–	–	–	3,385,424	3,385,424
						(189,722)
Other comprehensive income						
Exchange differences on translation of financial statements of foreign subsidiaries (net of income tax)	–	–	–	(1,050,464)	–	(1,050,464)
Total other comprehensive income	–	–	–	(1,050,464)	–	(1,050,464)
Total comprehensive income for the year	–	–	–	(1,050,464)	3,385,424	2,334,960
						(189,722)
						2,145,238
Transactions with owners, recorded directly in equity						
Share buyback held as treasury shares	–	(141,075)	–	–	–	(141,075)
Final tax exempt dividend paid of 0.66 cents per share in respect of year ended 30 June 2013	–	–	–	–	(1,893,846)	(1,893,846)
Total transactions with owners	–	(141,075)	–	–	(1,893,846)	(2,034,921)
Transfer between reserves	–	–	129,047	–	(129,047)	–
At 30 June 2014	33,450,613	(141,075)	936,058	(4,430,537)	36,237,660	66,052,719
						126,283
						66,179,002

The accompanying notes form an integral part of these financial statements.

**APPENDIX 4 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF THE GROUP FOR FY2015**

Attributable to equity holders of the Company									
	Share capital \$	Treasury shares \$	Statutory reserves \$	Share-based compensation reserve \$	Foreign currency translation reserve \$	Accumulated profits \$	Total \$	Non- controlling interests \$	Total equity \$
At 1 July 2014	33,450,613	(141,075)	936,058	–	(4,430,537)	36,237,660	66,052,719	126,283	66,179,002
Total comprehensive income for the year									
Profit or loss	–	–	–	–	–	3,883,699	3,883,699	(144,372)	3,739,327
Other comprehensive income									
Exchange differences on translation of financial statements of foreign subsidiaries (net of income tax)	–	–	–	–	(403,940)	–	(403,940)	–	(403,940)
Total other comprehensive income	–	–	–	–	(403,940)	–	(403,940)	–	(403,940)
Total comprehensive income for the year	–	–	–	–	(403,940)	3,883,699	3,479,759	(144,372)	3,335,387
Transactions with owners, recorded directly in equity									
Share based compensation	–	–	–	269,063	–	–	269,063	–	269,063
Share buyback held as treasury shares	–	(796,320)	–	–	–	–	(796,320)	–	(796,320)
Treasury shares re-issued		126,255		(135,856)		9,601	–	–	–
Final tax exempt dividend paid of 0.72 cents per share in respect of year ended 30 June 2014	–	–	–	–	–	(2,050,326)	(2,050,326)	–	(2,050,326)
Total transactions with owners	–	(670,065)	–	133,207	–	(2,040,725)	(2,577,583)	–	(2,577,583)
Transfer between reserves	–	–	142,590	–	–	(142,590)	–	–	–
At 30 June 2015	33,450,613	(811,140)	1,078,648	133,207	(4,834,477)	37,938,044	66,954,895	(18,089)	66,936,806

The accompanying notes form an integral part of these financial statements.

APPENDIX 4 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Consolidated cash flow statement Year ended 30 June 2015

	Note	2015 \$	2014 \$
Operating activities			
Profit before income tax		5,201,527	4,523,541
Adjustments for:			
Depreciation of property, plant and equipment and land use rights		4,417,281	4,653,540
Amortisation of intangible assets		358,892	358,893
Loss/(gain) on disposal of property, plant and equipment		107,036	(54,005)
Gain on disposal of investment in associate		(6,159)	–
Property, plant and equipment written off		525,233	173,044
Share based compensation expense		269,063	–
Write-back of provision for stock obsolescence		(26,065)	–
Change in fair value of quoted equity securities		(17,747)	1,795
Change in fair value of derivative financial instruments		–	(6,673)
Impairment loss on investment in associate		–	153,469
Impairment of club membership		81,200	–
Dividend income		(5,600)	(5,600)
Interest income		(60,436)	(52,043)
Interest expense		194,366	221,444
Share of results of associate		12,168	14,601
		<u>11,050,759</u>	<u>9,982,006</u>
Changes in working capital:			
Inventories		694,950	(165,427)
Trade and other receivables		(755,975)	(349,671)
Trade and other payables		2,348,828	560,239
Cash generated from operations		<u>13,338,562</u>	<u>10,027,147</u>
Income taxes paid		<u>(1,341,902)</u>	<u>(1,905,534)</u>
Cash flows from operating activities		<u>11,996,660</u>	<u>8,121,613</u>
Investing activities			
Interest received		52,118	51,455
Dividend received		5,600	5,600
Capital realised from investment in associate		200,000	100,000
Proceeds from disposal of property, plant and equipment		91,306	273,720
Purchase of property, plant and equipment		<u>(6,528,742)</u>	<u>(4,146,434)</u>
Cash flows used in investing activities		<u>(6,179,718)</u>	<u>(3,715,659)</u>
Financing activities			
Dividends paid to owners of the Company		(2,050,326)	(1,893,846)
Share buyback held as treasury shares		(796,320)	(141,075)
Interest paid		(207,962)	(213,500)
Proceeds from bank loans		7,124,340	5,908,250
Repayment of bank loans		(6,526,450)	(7,403,505)
Fixed deposits pledged with banks		(5,745)	(10,587)
Cash flows used in financing activities		<u>(2,462,463)</u>	<u>(3,754,263)</u>
Net increase in cash and cash equivalents		3,354,479	651,693
Cash and cash equivalents at beginning of year		18,435,839	18,164,172
Effect of exchange rate fluctuations on cash held		(693,858)	(380,026)
Cash and cash equivalents at end of year	13	<u><u>21,096,460</u></u>	<u><u>18,435,839</u></u>

The accompanying notes form an integral part of these financial statements.

APPENDIX 4 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 20 August 2015.

1 Domicile and activities

Chosen Holdings Limited (the Company) is incorporated in the Republic of Singapore and has its registered office at 17 Woodlands Terrace, Woodlands East Industrial Estate, Singapore 738442.

The principal activities of the Company are those relating to investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are those relating to product design and development, mould design and fabrication, plastic injection moulding and secondary processes and final product assembly.

The consolidated financial statements for the year ended 30 June 2015 relate to the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group's interest in associate.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except as otherwise described below.

The financial statements are presented in Singapore dollars which is the Company's functional currency.

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in Note 31.

The Group adopted new/revised FRS and Interpretations which became effective during the year. The initial adoption of these standards and interpretations did not have a material impact on the financial statements.

The accounting policies set out below have been applied consistently by the Group entities to all periods presented in these financial statements.

APPENDIX 4 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

2.2 Consolidation

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to, variable returns from its involvement with the entity and has the liability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Associate

Associate is an entity in which the Group has significant influence, but not control, over its financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

An associate is accounted for using the equity method (equity-accounted investee) and is recognised initially at cost.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investee, after adjustments to align its accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. For this purpose, the latest financial statements are used. Where audited financial statements are not available, unaudited management financial statements are used.

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When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term interests that forms part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries and associate by the Company

Investments in subsidiaries and the associate are stated in the Company's balance sheet at cost less any accumulated impairment losses.

2.3 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in the income statement.

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated at the average exchange rates for the year which approximates exchange rates prevailing at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of, such that control or significant influence is lost, the cumulative amount in the foreign exchange translation reserve related to that foreign operation is reclassified to income statement as part of the gain or loss on disposal.

2.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include the cost of materials and direct labour and any other costs directly attributable to bringing the assets to a working condition for their intended use.

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The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other operating expense in the income statement.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of the property, plant and equipment are recognised in the income statement as incurred.

Depreciation is recognised as an expense in the income statement on a straight-line basis so as to write off the items of property, plant and equipment over their estimated useful lives as follows:

Freehold building	50 years
Land use rights	Over the remaining lease period commencing 1999
Leasehold land and building	50 years or over the remaining lease period, whichever is shorter
Plant and machinery	10 years
Renovations, furniture and fittings	8 years
Office equipment	5 years
Computers	3 years
Motor vehicles	6 years
Production tools	Over units of production

Freehold land and construction in progress items are not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

2.5 Intangible assets

Development expenditure

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in the income statement as incurred.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to the income statement in the period in which it is incurred.

The Group incurs development costs when it has to apply material applications and design and production process development to its customers' products before the start of commercial production. Such development costs are capitalised as intangible assets and amortised over their

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estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Subsequent to initial recognition, internally-generated intangible assets are measured at cost less accumulated amortisation and impairment loss.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

Capitalised development costs	5 - 7 years
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Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

2.6 Financial instruments

Derivative financial assets

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are recognised initially at fair value; attributable transactions costs are recognised in the income statement as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised immediately in the income statement. The fair value of forward currency contracts and foreign currency option contracts are based on valuation provided by the Group's bankers.

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets:

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is acquired principally for the purpose of selling in the short term or is designated as such upon initial recognition. Upon initial recognition, attributable transaction costs are recognised in the income statement when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in the income statement. The fair value of equity securities classified as held for trading is determined as the quoted bid price at the balance sheet date.

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Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and cash equivalents, trade and other receivables and amounts due from subsidiaries.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits with maturities of less than three months from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Bank deposits that are pledged are excluded for the purpose of the cash flow statement.

Non-derivative financial liabilities

The Group initially recognises financial liabilities on the trade date which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: interest bearing bank loans and trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

2.7 Inventories and work in progress

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out method and comprises all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.8 Impairment

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy.

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The Group considers evidence of impairment for receivables on a specific asset level. All receivables are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the income statement and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through income statement.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.9 Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement in the periods during which related services are rendered by employees.

Share-based payments

For equity settled share-based payments, the fair value of the employee services received in exchange for the grant of performance shares is recognised as an expense in the profit and loss account with a corresponding increase in the share-based compensation reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair values of the performance shares granted on the respective dates of grant.

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At each balance sheet date, the Group revises its estimates of the number of share that are expected to vest on the vesting dates, and recognises the impact of the revision of the estimates in the profit and loss account, with a corresponding adjustment to the share-based compensation reserve over the remaining vesting period unless the revision to original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimates due to market conditions.

For cash-settled share-based payments, the fair value of the services received is recognised as an expense with a corresponding increase in liability. The fair value of the services received is determined by reference to the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised for the period.

2.10 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

2.11 Income tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities and assets are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest will be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of multifaceted judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the period that such a determination is made.

2.12 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants, which are designated for operating expenditure, are recognised on a systematic basis in the income statement over the period necessary to match the related costs which they are intended to compensate.

2.13 Revenue recognition

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Contract Revenue

Revenue and profit from mould fabrication contracts are recognised by the percentage of completion method. The percentage of completion is measured by reference to the stage of completion of the contract activity at the balance sheet date. An expected loss on the construction contract is recognised as an expense when it is probable that total costs will exceed total contract revenue. Provision for foreseeable loss on uncompleted contracts is made in the year in which such losses are determined.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus representing amounts due from customers is shown as 'unbilled receivables' and included under 'trade and other receivables'.

Dividends

Dividend income is recognised in the income statement on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Interest income

Interest income from bank deposits is recognised on an effective interest basis.

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2.14 Operating leases

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the income statement on a straight-line basis over the terms of the leases. Lease incentives received are recognised in the income statement as an integral part of the total lease payments made. Operating leases are not recognised in the Group's balance sheet.

2.15 Finance costs

Interest expense and similar charges are expensed in the income statement in the period in which they are incurred, using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to prepare for its intended use or sale.

2.16 Related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or *vice versa*, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

2.17 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

2.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

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3 Property, plant and equipment

Group	Freehold land and building \$	Leasehold land and building \$	Plant and machinery \$	Renovations, furniture and fittings \$	Office equipment \$	Computers \$	Motor vehicles \$	Production tools \$	Construction in progress \$	Total \$
Cost										
At 1 July 2013	4,573,325	9,341,727	58,500,443	6,640,882	509,840	2,498,997	1,356,488	6,764,849	1,893,451	92,080,002
Translation difference	(150,078)	(134,182)	(1,018,601)	(94,622)	(9,751)	(33,603)	(11,869)	–	–	(1,452,706)
Additions	–	–	1,312,299	360,490	75,692	314,985	760,926	–	1,486,435	4,310,827
Disposals	–	–	(1,343,839)	(389,024)	(18,238)	(464,144)	(396,457)	–	–	(2,611,702)
Write-offs	–	–	(597,006)	(18,960)	(29,843)	(110,744)	–	(163,071)	–	(919,624)
At 30 June 2014	4,423,247	9,207,545	56,853,296	6,498,766	527,700	2,205,491	1,709,088	6,601,778	3,379,886	91,406,797
At 1 July 2014	4,423,247	9,207,545	56,853,296	6,498,766	527,700	2,205,491	1,709,088	6,601,778	3,379,886	91,406,797
Translation difference	(166,123)	453,861	363,223	25,936	11,185	65,759	12,197	–	54,052	820,090
Additions	–	1,626,310	3,084,743	137,772	59,256	156,422	492,635	–	705,592	6,262,730
Transfer	–	–	–	–	–	–	–	1,374,645	(1,374,645)	–
Disposals	–	(2,433)	(3,384,732)	(284,530)	(82,568)	(201,856)	(202,660)	–	–	(4,158,779)
Write-offs	–	–	(285,027)	(5,203)	(14,073)	(27,235)	–	(104,858)	(518,806)	(955,202)
At 30 June 2015	4,257,124	11,285,283	56,631,503	6,372,741	501,500	2,198,581	2,011,260	7,871,565	2,246,079	93,375,636

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Group	Freehold land and building \$	Leasehold land and building \$	Plant and machinery \$	Renovations, furniture and fittings \$	Office equipment \$	Computers \$	Motor vehicles \$	Production tools \$	Construction in progress \$	Total \$
Accumulated depreciation										
At 1 July 2013	594,342	3,496,258	43,607,328	5,482,776	407,564	2,280,683	1,119,956	2,881,726	–	59,870,633
Translation difference	(23,136)	(35,118)	(712,236)	(80,966)	(7,872)	(31,503)	(6,872)	–	–	(897,703)
Depreciation charge for the year	60,139	242,961	3,342,492	411,879	42,064	219,088	91,562	215,274	–	4,625,459
Disposals	–	–	(1,127,666)	(388,189)	(16,719)	(464,067)	(395,346)	–	–	(2,391,987)
Write-offs	–	–	(588,408)	(18,910)	(28,850)	(110,361)	–	(51)	–	(746,580)
At 30 June 2014	631,345	3,704,101	44,521,510	5,406,590	396,187	1,893,840	809,300	3,096,949	–	60,459,822
At 1 July 2014	631,345	3,704,101	44,521,510	5,406,590	396,187	1,893,840	809,300	3,096,949	–	60,459,822
Translation difference	(16,503)	123,051	36,560	16,699	9,600	58,812	3,200	–	–	231,419
Depreciation charge for the year	60,197	252,996	3,075,958	249,423	48,487	216,137	190,352	294,981	–	4,388,531
Disposals	–	(502)	(3,293,849)	(283,914)	(82,514)	(201,856)	(202,660)	–	–	(4,065,295)
Write-offs	–	–	(278,675)	(5,166)	(14,073)	(27,196)	–	–	–	(325,110)
At 30 June 2015	675,039	4,079,646	44,061,504	5,383,632	357,687	1,939,737	800,192	3,391,930	–	60,689,367
Carrying amounts										
At 1 July 2013	3,978,983	5,845,469	14,893,115	1,158,106	102,276	218,314	236,532	3,883,123	1,893,451	32,209,369
At 30 June 2014	3,791,902	5,503,444	12,331,786	1,092,176	131,513	311,651	899,788	3,504,829	3,379,886	30,946,975
At 1 July 2014	3,791,902	5,503,444	12,331,786	1,092,176	131,513	311,651	899,788	3,504,829	3,379,886	30,946,975
At 30 June 2015	3,582,085	7,205,637	12,569,999	989,109	143,813	258,844	1,211,068	4,479,635	2,246,079	32,686,269

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	Computers	Motor	Total
	\$	vehicles	\$
Company			
Cost			
At 1 July 2013	86,476	548,020	634,496
Additions	–	617,840	617,840
Disposals	–	(372,403)	(372,403)
At 30 June 2014	<u>86,476</u>	<u>793,457</u>	<u>879,933</u>
At 1 July 2014	86,476	793,457	879,933
Additions	999	261,786	262,785
Disposals	(9,338)	(175,617)	(184,955)
At 30 June 2015	<u>78,137</u>	<u>879,626</u>	<u>957,763</u>
Accumulated depreciation			
At 1 July 2013	70,391	548,020	618,411
Depreciation charge for the year	11,931	30,679	42,610
Disposals	–	(372,403)	(372,403)
At 30 June 2014	<u>82,322</u>	<u>206,296</u>	<u>288,618</u>
At 1 July 2014	82,322	206,296	288,618
Depreciation charge for the year	4,246	110,245	114,491
Disposals	(9,338)	(175,617)	(184,955)
At 30 June 2015	<u>77,230</u>	<u>140,924</u>	<u>218,154</u>
Carrying amounts			
At 1 July 2013	<u>16,085</u>	–	<u>16,085</u>
At 30 June 2014	<u>4,154</u>	<u>587,161</u>	<u>591,315</u>
At 1 July 2014	<u>4,154</u>	<u>587,161</u>	<u>591,315</u>
At 30 June 2015	<u>907</u>	<u>738,702</u>	<u>739,609</u>

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4 Subsidiaries

	Company	
	2015	2014
	\$	\$
Unquoted shares, at cost	21,049,448	21,049,448

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Effective equity interest held by the Group	
		2015 %	2014 %
(1) Chosen Plastic Pte Ltd and its subsidiaries:	Singapore	100	100
(1) Synertac Pte Ltd	Singapore	100	100
(1) Chosen Technologies Pte Ltd	Singapore	100	100
(1) Chosen Dzios Pte Ltd	Singapore	100	100
(2) Chosen Plastic Sdn. Bhd. and its subsidiary:	Malaysia	100	100
(2) Chosen Manufacturing Sdn. Bhd.	Malaysia	100	100
(1) Chosen Investment Pte Ltd and its subsidiaries:	Singapore	100	100
(3),(4) Chosen Enterprise (Shanghai) Co., Ltd.	People's Republic of China	100	100
(1) Chosen Electronics Assembly (Singapore) Pte Ltd and its subsidiary:	Singapore	100	100
(3),(4) Chosen Electronics Assembly (Shanghai) Co., Ltd.	People's Republic of China	100	100
(3),(4) Chosen Enterprise (Dongguan) Co., Ltd.	People's Republic of China	100	100
(3),(4) Chosen Moulding & Assembly (Wuxi) Co., Ltd	People's Republic of China	100	100
(1) Symbonic Pte Ltd	Singapore	80	80
(2) Chosen (Thailand) Company Limited	Thailand	100	100

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⁽¹⁾ Audited by KPMG LLP Singapore.

⁽²⁾ Audited by other member firms of KPMG International.

⁽³⁾ Audited by another firm of auditors, Shanghai LSC Certified Public Accountants Co., Ltd.

⁽⁴⁾ The subsidiaries are required to have a financial year ending 31 December each year in the People's Republic of China. The Company has obtained an approval from the Accounting and Corporate Regulatory Authority ("ACRA") under Section 200(3) and (4) of the Companies Act authorising the subsidiaries to have a financial year end which do not coincide with the financial year end of the Company. The consolidated financial statements of the Group include the non-statutory results and financial position of the subsidiaries as at 30 June 2014 audited/reviewed by member firm of KPMG International for consolidation purposes.

In accordance with Rule 716 of the Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company has confirmed that they are satisfied that the appointment of different auditors for its subsidiaries has not compromised the standard and effectiveness of the audit of the Group.

5 Associate

	Group	
	2015	2014
	\$	\$
Interest in associate	—	206,009

The value of investment in the previous financial year represents the recoverable amount of the Group's investment in its associate determined using fair value less costs to sell and was estimated based on the expected capital return on its investment in the next twelve months.

During the year, Chosen Investment Pte Ltd, a wholly-owned subsidiary of the Group, transferred all of the shares that it held in the associated company to the remaining shareholder upon the receipt of \$300,000 from him. As a result, the Group does not hold any equity interest in Gashub as at 30 June 2015 and ceased equity accounting from the date of disposal.

Details of the associate are as follows:

Name of associate	Country of incorporation	Effective equity held by the Group	
		2015	2014
		%	%
Gashub Technology Pte Ltd	Singapore	—	40

The associate is audited by KPMG LLP Singapore.

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The summarised financial information relating to the associate is not adjusted for the percentage of ownership held by the Group and is based on the unaudited management financial statements for the year ended 30 June 2014. As the 30 June 2014 financial information is the most recent available financial statements, the Group utilised this financial information in lieu of 2015 financial information on a pro-rated basis, for purposes of the application of equity accounting the associate's results up to the date Gashub ceased to be an associate (24 April 2015).

	2014 \$
Assets and liabilities	
Total assets	170,655
Total liabilities	149,768
Results	
Revenue	417,044
Loss after tax	(36,503)

6 Intangible assets

	Intangible assets \$
Group	
Cost	
At 1 July 2013, 30 June 2014 and 30 June 2015	1,405,655
Accumulated amortisation	
At 1 July 2013	185,621
Amortisation for the year	358,893
At 30 June 2014	544,514
At 1 July 2014	544,514
Amortisation for the year	358,892
At 30 June 2015	903,406
Carrying amount	
At 1 July 2013	1,220,034
At 30 June 2014	861,141
At 1 July 2014	861,141
At 30 June 2015	502,249

Intangible assets relate to development costs relating to material applications and development of design and production processes.

Amortisation charge

The amortisation of development costs is included in cost of sales as inventory is sold.

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7 Deferred tax

Movements in deferred tax (assets)/liabilities during the year are as follows:

	At 1 July 2013 \$	(Credited)/ Charged to income statement (note 22) \$	Translation difference \$	At 30 June 2014 \$
Group				
Deferred tax liabilities				
Property, plant and equipment	2,003,847	(252,878)	(16,852)	1,734,117
Intangible assets	73,111	(43,330)	–	29,781
	<u>2,076,958</u>	<u>(296,208)</u>	<u>(16,852)</u>	<u>1,763,898</u>
Deferred tax assets				
Provisions and allowances	(66,193)	(7,398)	658	(72,933)
Unutilised tax losses	(993,305)	(40,078)	–	(1,033,383)
Unutilised reinvestment allowance	(242,183)	(89,818)	5,494	(326,507)
Others	(2,733)	(4,187)	(108)	(7,028)
	<u>(1,304,414)</u>	<u>(141,481)</u>	<u>6,044</u>	<u>(1,439,851)</u>

	At 1 July 2014 \$	(Credited)/ Charged to income statement (note 22) \$	Translation difference \$	At 30 June 2015 \$
Group				
Deferred tax liabilities				
Property, plant and equipment	1,734,117	(256,928)	(33,289)	1,443,900
Intangible assets	29,781	10,837	–	40,618
Others	–	162,350	(10,025)	152,325
	<u>1,763,898</u>	<u>(83,741)</u>	<u>(43,314)</u>	<u>1,636,843</u>
Deferred tax assets				
Provisions and allowances	(72,933)	47,654	194	(25,085)
Unutilised tax losses	(1,033,383)	37,103	–	(996,280)
Unutilised tax incentives	(326,507)	157,977	1,189	(167,341)
Others	(7,028)	(4,008)	(1,167)	(12,203)
	<u>(1,439,851)</u>	<u>238,726</u>	<u>216</u>	<u>(1,200,909)</u>

	At 1 July 2013 \$	Charged to income statement \$	At 30 June 2014 \$	Charged to income statement \$	At 30 June 2015 \$
Company					
Other items (net)	<u>(4,775)</u>	<u>(2,714)</u>	<u>(7,489)</u>	<u>(4,560)</u>	<u>(12,049)</u>

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The unutilised reinvestment allowances and unutilised tax losses are available for offset against future taxable income subject to agreement with the relevant tax authorities and tax conditions prevailing in their respective countries.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to income taxes levied by the same taxation authority. The deferred tax liabilities and assets, determined after appropriate offsetting are as follows:

	Group		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
Deferred tax liabilities	1,094,649	1,061,493	–	–
Deferred tax assets	(658,715)	(737,446)	(12,049)	(7,489)

At 30 June 2015, the Group has deferred tax assets amounting to \$1,163,619 (2014: \$711,811) in relation to unutilised tax losses of subsidiaries which had suffered loss in the financial year. The deferred tax assets were recognised on the basis of profit forecasts of the subsidiaries.

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
Tax losses	2,586,843	3,721,415	–	–

Tax losses of \$1,961,908 expired in the year ended 30 June 2015 (2014: \$692,984). The availability of the remaining tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

8 Other long-term assets

		Group		Company	
	Note	2015	2014	2015	2014
		\$	\$	\$	\$
Club membership		243,800	325,000	157,900	185,000
Land use rights	(a)	1,024,970	977,370	–	–
Other assets	(b)	2,916,967	–	–	–
		<u>4,185,737</u>	<u>1,302,370</u>	<u>157,900</u>	<u>185,000</u>

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- (a) The Group has land use rights over a plot of land in the People's Republic of China where the Group's manufacturing facilities resides. The land use rights has a tenure of 35 years (2014: 36 years).

	Land use rights \$
Group	
Cost	
At 1 July 2013	1,405,436
Translation difference	(32,082)
At 30 June 2014	<u>1,373,354</u>
At 1 July 2014	1,373,354
Translation difference	108,530
At 30 June 2015	<u>1,481,884</u>
Accumulated depreciation	
At 1 July 2013	377,125
Depreciation for the year	28,081
Translation difference	(9,222)
At 30 June 2014	<u>395,984</u>
At 1 July 2014	395,984
Depreciation for the year	28,750
Translation difference	32,180
At 30 June 2015	<u>456,914</u>
Carrying amounts	
At 1 July 2013	<u>1,028,311</u>
At 30 June 2014	<u>977,370</u>
At 1 July 2014	<u>977,370</u>
At 30 June 2015	<u>1,024,970</u>

- (b) This relates to the purchase consideration for the acquisition of land and building in Chonburi, Thailand. The acquisition was completed after year end.

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9 Inventories

	Group	
	2015	2014
	\$	\$
Raw materials	6,478,509	6,932,167
Work-in-progress	1,801,934	1,774,831
Finished goods	4,724,807	4,993,202
	13,005,250	13,700,200
Allowance for inventory obsolescence	–	(26,065)
	13,005,250	13,674,135

	Group	
	2015	2014
	\$	\$
Inventories recognised as an expense in cost of sales	64,344,169	65,627,718
Inclusive of the following charge		
Allowance for inventory obsolescence written back	26,065	–

10 Trade and other receivables

	Group		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
Trade receivables	27,891,083	26,681,886	–	–
Allowance for impairment loss	–	–	–	–
Net trade receivables	27,891,083	26,681,886	–	–
Unbilled receivables	1,150,299	1,652,508	–	–
GST recoverable	226,326	253,658	–	–
Deposits	540,736	663,079	–	–
Interest receivable	18,860	10,542	12,230	3,936
Other receivables	139,247	229,658	–	–
Loans and receivables	29,966,551	29,491,331	12,230	3,936
Tax recoverable	–	128,532	–	–
Prepayments	523,771	234,699	58,090	5,633
	30,490,322	29,854,562	70,320	9,569

As at balance sheet date, aggregate costs incurred under open tooling contracts and recognised profits, net of recognised losses, amounted to \$708,885 (2014: \$822,219) for the Group.

At the balance sheet date, approximately 51% (2014: 36%) of the Group's trade receivables were due from 5 major customers, which are multi-national companies.

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The ageing of loans and receivables at the reporting date is:

Group	Gross 2015 \$	Impairment 2015 \$	Gross 2014 \$	Impairment 2014 \$
Not past due	22,578,331	–	20,189,544	–
Past due less than 3 months	7,013,207	–	8,225,427	–
Past due more than 3 months and less than 6 months	351,219	–	622,236	–
Past due more than 6 months	23,794	–	454,124	–
	<u>29,966,551</u>	<u>–</u>	<u>29,491,331</u>	<u>–</u>
Company				
Not past due	<u>12,230</u>	<u>–</u>	<u>3,936</u>	<u>–</u>

Trade receivables that are neither past-due nor impaired relate mainly to companies with good collection track record with the Group. Trade receivables that are past due are individually assessed and impairment allowance is made for debtors that are in financial difficulties and have defaulted on payments. Based on historical default rates, the Group believes that no further impairment allowance is necessary in respect of these trade receivables as they relate to customers that have a good payment record with the Group.

11 Amounts due from subsidiaries

	Company 2015 \$	2014 \$
Trade	16,413,740	15,476,595
Non-trade	1,793,700	2,106,263
Amounts due from subsidiaries	<u>18,207,440</u>	<u>17,582,858</u>

The non-trade amounts due from subsidiaries are unsecured, interest free, not past due and repayable on demand. There is no allowance for doubtful debts arising on the outstanding balances.

12 Other financial assets

	Group 2015 \$	2014 \$
Quoted equity securities, held-for-trading	<u>156,134</u>	<u>138,387</u>

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Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method as at 30 June 2015. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Group				
30 June 2015				
Quoted equity securities, at fair value through profit or loss	156,134	–	–	156,134
30 June 2014				
Quoted equity securities, at fair value through profit or loss	138,387	–	–	138,387

There is no transfer between levels during the year.

13 Cash and cash equivalents

	Group		Company	
	2015 \$	2014 \$	2015 \$	2014 \$
Cash at bank and in hand	17,261,565	13,440,924	3,056,045	1,541,245
Fixed deposits with banks and non-bank financial institutions	4,041,432	5,195,707	3,518,465	4,667,593
	21,302,997	18,636,631	6,574,510	6,208,838
Fixed deposits pledged to a bank	(206,537)	(200,792)		
Cash and cash equivalents in consolidated statement of cash flows	21,096,460	18,435,839		

Fixed deposits of the Group amounting to \$206,537 (2014: \$200,792) are pledged to banks for banker guarantees granted to certain subsidiaries.

The effective interest rates per annum relating to cash and cash equivalents at the balance sheet date for the Group and the Company range from 0.05% to 3.3% (2014: 0.05% to 3.15%) and from 0.05% to 1.3% (2014: 0.05% to 0.9%) respectively. Interest rates reprice within a period of twelve months.

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14 Share capital

	Group and Company	
	2015	2014
	No. of	No. of
	shares	shares
Fully paid ordinary shares, with no par value:		
As at 1 July	285,870,424	286,946,424
Treasury shares purchased during the year	(4,998,200)	(1,076,000)
Treasury shares reissued under Performance Share Award during the year	849,103	–
As at 30 June	<u>281,721,327</u>	<u>285,870,424</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Treasury shares

During the current financial year, the Company acquired 4,998,200 (2014: 1,076,000) of its own shares through purchases on the Singapore Exchange. The total amount paid to acquire the shares was \$796,320 (2014: \$141,075). The shares, held as treasury shares, were included as deduction against shareholders' equity. As at 30 June 2015, the Company held 5,225,097 treasury shares (2014: 1,076,000).

The Company re-issued 849,103 (2014: NIL) treasury shares during the financial year for the fulfilment of share awards vested under the PSA scheme at a total value of \$126,255 (2014: NIL).

Capital management

The Board defines capital as total shareholders' equity, excluding non-controlling interests.

The Group manages its capital to ensure that the Group will be able to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The capital structure of the Group consists of debt and equity attributable to equity holders, comprising issued capital, reserves, retained earnings and bank loans excluding non-controlling interests.

The Board reviews the capital structure regularly to achieve an appropriate capital structure. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital and makes adjustments to the capital structure, where appropriate, in light of changes in economic conditions, investment requirements and the risk characteristics of the underlying assets.

There were no changes in the Group's approach to capital management during the year.

As disclosed in Note 15, certain subsidiaries of the Group are required by statutory regulations in China and Thailand to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant authorities. This externally imposed requirement has been complied with by all the relevant subsidiaries for the financial year ended 30 June 2015.

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15 Reserves

	Group		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
Statutory reserves	1,078,648	936,058	–	–
Share-based compensation reserve	133,207	–	133,207	–
Foreign currency translation reserve	(4,834,477)	(4,430,537)	–	–
Accumulated profits	37,938,044	36,237,660	12,511,064	11,287,175
	<u>34,315,422</u>	<u>32,743,181</u>	<u>12,644,271</u>	<u>11,287,175</u>

Statutory reserves

Statutory reserves comprise the following:

- The wholly foreign-owned entities in the People's Republic of China (PRC) follow the accounting principles and relevant financial regulations of the PRC (PRC GAAP) applicable to wholly foreign-owned enterprises in the preparation of its statutory financial statements. The subsidiaries are required to appropriate 10% of their profits arrived at under PRC GAAP for each year to a statutory reserve. The appropriation is required until the statutory reserve reaches 50% of the registered capital of the subsidiaries. This statutory reserve is not distributable in the form of cash dividends.
- Under the provisions of Civil and Commercial Code, the Thailand subsidiary is required to allocate not less than 5% of its net profit to a reserve account upon each dividend distribution until the balance reaches an amount of not less than 10% of the registered authorised capital. This reserve is not available for dividend distribution.

Foreign currency translation reserve

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations when the measurement currency is different from that of the Company.

Share-based compensation reserve

Share-based compensation reserve comprises the fair value of employee services received on grant of performance shares. The expense for service received is recognised over the vesting period.

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16 Trade and other payables

	Group		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
Trade payables and accrued operating expenses	23,901,487	21,632,036	1,527,532	1,037,804
Amounts due to suppliers for purchase of property, plant and equipment	3,376,032	725,077	–	–
Interest payable	20,632	34,228	–	–
Other payables	271,945	192,569	–	–
	<u>27,570,096</u>	<u>22,583,910</u>	<u>1,527,532</u>	<u>1,037,804</u>

17 Interest-bearing bank loans (unsecured)

The contractual terms of the Group's interest-bearing bank loans are as follows:

	2015	2014
	\$	\$
Group		
Short-term bank loans	<u>7,124,340</u>	<u>6,108,250</u>

The effective interest rates per annum relating to interest-bearing bank loans at the balance sheet date and the periods in which they mature or reprice, whichever is earlier, are as follows:

	Effective interest rate	Total	Within 1 year
	%	\$	\$
Group			
2015			
Financial liabilities			
Short-term bank loans	2.49 – 3.15%	<u>7,124,340</u>	<u>7,124,340</u>
2014			
Financial liabilities			
Short-term bank loans	2.00 – 3.08%	<u>6,108,250</u>	<u>6,108,250</u>

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18 Revenue

	Group	
	2015	2014
	\$	\$
Sale of plastic injection components	107,826,470	111,341,912
Sale of moulds	9,415,705	6,466,814
	117,242,175	117,808,726

19 Profit before income tax

The following items have been included in arriving at profit before income tax:

	Note	Group	
		2015	2014
		\$	\$
(a) Other income			
Exchange gain		160,376	23,340
Dividend income from quoted equity securities		5,600	5,600
Gain on disposal of property, plant and equipment		–	54,005
Gain on disposal of investment in associate		6,159	–
Interest income from bank deposits		60,436	52,043
Income from government grant		253,081	173,993
Net change in fair value of financial assets at fair value through profit or loss		17,747	–
Change in fair value of derivative financial instruments		–	6,673
Insurance recovery as a result of the Thailand Flood in FY 2012		–	36,919
Others		357,005	560,093
		860,404	912,666
(b) Other expenses			
Loss on disposal of property, plant and equipment		107,036	–
Impairment of club membership		81,200	–
Impairment loss on investment in associate		–	153,469
Net change in fair value of financial assets at fair value through profit or loss		–	1,795
Audit fees paid to:			
- auditors of the Company		118,676	108,100
- other auditors		109,993	106,474
Non-audit fees paid to:			
- auditors of the Company		41,200	36,700
- other auditors		13,581	18,257
Operating lease expenses		1,918,727	1,750,077
Property, plant and equipment written off		525,233	173,044

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	Group	
	2015	2014
	\$	\$
Directors' fee	254,441	189,000
Key management personnel compensation included in staff cost		
- Remuneration	1,825,385	1,695,465
- Shared based compensation	193,997	–
- Benefits-in-kind	46,875	59,027
Staff costs	25,217,889	23,660,357
Share based compensation expense included in staff costs	20 269,063	–
Contributions to defined contribution plans included in staff costs	2,432,526	2,085,118

20 Equity compensation benefits

Performance Share Award Scheme

The Chosen Holdings Limited Performance Share Award Scheme (the “PSA Scheme”) was approved by the shareholders of the Company at the Extraordinary General Meeting held on 25 October 2010.

Persons eligible to participate in the PSA Scheme are selected Group employees and employees of associated companies as the PSA Scheme Committee may determine and non-executive directors of the Company and/or its subsidiaries.

Awards initially granted under the PSA Scheme may be performance and/or service based.

The PSA Scheme contemplates the award of fully-paid ordinary shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions (if any) and/or service periods, are met upon the expiry of the prescribed vesting periods.

As at the end of the financial year, details of the number of performance shares granted under the Scheme are as follows:

2015:

Date of grant	Balance at 1 July 2014	Adjusted	Granted	Vested	(Forfeiture)	Other adjustments	Balance at 30 June 2015
1 September 2014	–	–	2,547,310	(849,103)	(84,976)	–	1,613,231

Prior to the current financial year, there were no shares granted under the Scheme.

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Equity-settled shared based payment arrangements

In the current financial year, the performance shares were granted upon the achievement of pre-determined profitability targets. The vesting of the shares is based on pre-determined service conditions to be met. For share awards granted to non-executive Directors, the vesting of those shares is conditional on their continual appointment as Directors of the Company over the vesting period.

The fair value of the performance shares is determined at grant date using the Company's share price as at grant date adjusted for the average dividend yield of the past 3 years before the grant date as follows:

Date of grant	Vesting date	Number of shares	Fair value per share	Expected dividend yield ⁽¹⁾	Share price at grant date
			\$	%	\$
1 September 2014	October 2014	849,103	0.16	NA ⁽²⁾	0.16
1 September 2014	October 2015	849,103	0.15	6.2	0.16
1 September 2014	October 2016	849,104	0.14	6.2	0.16

⁽¹⁾ Based on average dividend yield of the past 3 years before the grant date.

⁽²⁾ Not applicable as the shares awarded was entitled to dividends.

During the current financial year, the Group recognised \$269,063 (2014: \$nil) of share-based compensation expense in respect of performance shares based on the fair values determined on grant date and estimation of the share grants that will ultimately vest.

21 Finance costs

	Group	
	2015	2014
	\$	\$
Interest paid and payable to banks	194,366	221,444

22 Income tax expense

	Group	
	2015	2014
	\$	\$
Current tax expense		
Current year	1,270,000	1,786,378
Under/(Over) provision in respect of prior years	37,215	(20,850)
	1,307,215	1,765,528
Deferred tax expense/(credit)		
Current year	159,426	(594,509)
(Over)/Under provision in respect of prior years	(4,441)	156,820
	154,985	(437,689)
Total income tax expense in profit or loss	1,462,200	1,327,839

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	Group	
	2015	2014
	\$	\$
Reconciliation of effective tax rate		
Profit before income tax	5,201,527	4,523,541
Tax calculated using Singapore tax rate of 17%	884,261	769,001
Effect of tax rates in foreign jurisdictions	416,507	491,637
Effect of reduction in tax rates	(1,910)	(18,439)
Non-deductible expenses	296,028	142,662
Unrecognised tax losses	291,581	220,303
Utilisation of previously unrecognised tax losses	(95,729)	(66,134)
Tax incentives	(118,913)	(480,593)
Non-taxable income	(79,259)	(47,283)
Under provision in respect of prior years	32,774	135,970
Others	(163,140)	180,715
	<u>1,462,200</u>	<u>1,327,839</u>

23 Earnings per share

	Group	
	2015	2014
	\$	\$
The basic earnings per share is based on:		
Profit for the year attributable to shareholders of the Company	3,883,699	3,385,424
	No. of shares	No. of shares
Weighted average number of shares in issue during the year	283,950,784	286,596,257

	Group	
	2015	2014
	\$	\$
The diluted earnings per share is based on:		
Profit for the year attributable to shareholders of the Company	3,883,699	3,385,424

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	No. of shares	No. of shares
Weighted average number of shares in issue during the year (basic)	283,950,784	286,596,257
Effects of weighted average number of performance share awards not released	1,344,359	–
Weighted average number of shares in issue during the year (diluted)	285,295,143	286,596,257

24 Commitments

As at the balance sheet date, the Group had the following commitments:

(a) Operating lease commitment

- (i) The Group has a land lease commitment with Jurong Town Corporation (“JTC”) for a duration of 30 years expiring in 2026. The Group has the option to extend the lease for another 30 years upon the expiration of the initial term in 2026. The total current annual land rent payable is \$123,645 (2014: \$117,188) subject to an annual revision not exceeding 5.5% (2014: 5.5%) of the previous year’s rental.
- (ii) The Group leases its offices, warehouses and factory facilities under operating leases. The leases typically run for an initial period between one to five years. Minimum lease payments under these non-cancellable operating leases with a term of more than one year are as follows:

	Group	
	2015	2014
	\$	\$
Payable:		
Within one year	1,509,112	1,781,332
Within two to five years	1,561,827	2,583,895
	<u>3,070,939</u>	<u>4,365,227</u>

(b) Capital commitment

	Group	
	2015	2014
	\$	\$
Capital contribution in associate	–	1,000,000
Capital expenditure contracted but not provided for	449,386	433,540

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25 Financial risk management

Overview

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group is exposed to a variety of financial risks, comprising credit, liquidity and market risk (including interest rate and currency risk) in the normal course of the Group's business. The manner in which the Group manages each of these risks is summarised below:

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties and generally does not require collaterals from customers. The Group's credit exposure and the creditworthiness of its counterparties are monitored on an ongoing basis. Customers are also assessed based on their historical payment records. Where necessary, customers may be requested to provide advance payment before goods are delivered or services are rendered.

The maximum exposure to credit risk is the carrying amount of financial assets which are mainly trade receivables and bank balances and fixed deposits. Trade receivables of the Group are mainly due from contract manufacturers operating in the electronics industry and with good collection track record with the Group. Cash balances and fixed deposits are placed with reputable banks and financial institutions which are regulated.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of business, the Group also maintains flexibility in funding by ensuring that ample credit facilities and working capital lines are available at any point in time.

The following are the expected contractual cash flows of financial liabilities, including interest payments and excluding the impact of netting agreements.

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		Contractual cash flows (including interest payments)	
	Carrying amount	Total	Within 1 year
	\$	\$	\$
Group			
2015			
Non-derivative financial liabilities			
Trade and other payables	27,570,096	27,570,096	27,570,096
Interest-bearing bank loans	7,124,340	7,148,719	7,148,719
	<u>34,694,436</u>	<u>34,718,815</u>	<u>34,718,815</u>
2014			
Non-derivative financial liabilities			
Trade and other payables	22,583,910	22,583,910	22,583,910
Interest-bearing bank loans	6,108,250	6,119,287	6,119,287
	<u>28,692,160</u>	<u>28,692,160</u>	<u>28,692,160</u>
Company			
2015			
Non-derivative financial liabilities			
Trade and other payables	<u>1,527,532</u>	<u>1,527,532</u>	<u>1,527,532</u>
2014			
Non-derivative financial liabilities			
Trade and other payables	<u>1,037,804</u>	<u>1,037,804</u>	<u>1,037,804</u>

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return of risk.

Interest rate risk

The Group's exposure to interest rate risk arises primarily from its bank deposits and bank borrowings. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group has cash balances and fixed deposits placed with banks and financial institutions. Those deposits are generally with short term maturities to provide the Group the flexibility to meet working capital and other investment needs. The Group's borrowings for short term working capital requirements are repriced at intervals of not more than 12 months.

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Sensitivity analysis

At balance sheet date, a hypothetical 100 basis points movement in the re-pricing of interest rate, with all other variables held constant, will have an insignificant net impact on the profit before tax for the Group and Company.

Foreign currency risk

Foreign exchange exposures are naturally hedged as a significant portion of the Group's trade sales and purchases are primarily denominated in the same currency. This reduces the impact of movements in foreign exchange rates. The Group is a net receiver of the US dollar and therefore benefits from a stronger US dollar and is adversely affected by a weaker US dollar relative to the functional currencies of the companies in the Group.

The Group uses forward foreign exchange structures to minimise its net foreign currency exposures in the management of foreign exchange risk on monetary balances and forecast sales. These derivative financial instruments are used for hedging and not for speculative trading purposes.

The Group's and Company's exposures to US dollar as at 30 June 2015 and 30 June 2014 are as follows:

	Group		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
Trade and other receivables	25,350,313	23,318,373	–	–
Amounts due from subsidiaries	–	–	673,700	986,263
Cash and cash equivalents	8,370,102	7,324,762	2,006,565	48,873
Trade and other payables	(12,848,530)	(8,576,779)	–	–
Interest bearing bank loan	(5,524,340)	(5,308,250)	–	–
	<u>15,347,545</u>	<u>16,758,106</u>	<u>2,680,265</u>	<u>1,035,136</u>

Sensitivity analysis

A 5% strengthening of Singapore dollar against US dollars at the reporting date, with all other variables held constant, will result in a decrease in the Group's profit before tax of \$0.7 million (2014: \$0.8 million) and the Company's profit before tax of \$0.1 million (2014: \$0.05 million). Conversely, a 5% weakening of Singapore dollar against US dollar will result in an opposite impact on profit before tax of a similar amount. There is no impact on the equity of the Group and Company.

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Accounting classifications and fair values

	Note	Trading - at fair value \$	Loans and receivables \$	Other financial liabilities \$	Total carrying amount \$	Fair value \$
Group						
30 June 2015						
Trade and other receivables	10	–	29,966,551	–	29,966,551	29,966,551
Other financial assets	12	156,134	–	–	156,134	156,134
Cash and cash equivalents	13	–	21,302,997	–	21,302,997	21,302,997
		<u>156,134</u>	<u>51,269,548</u>	<u>–</u>	<u>51,425,682</u>	<u>51,425,682</u>
Trade and other payables	16	–	–	(27,570,096)	(27,570,096)	(27,570,096)
Interest-bearing bank loans (unsecured)	17	–	–	(7,124,340)	(7,124,340)	(7,124,340)
		<u>–</u>	<u>–</u>	<u>(34,694,436)</u>	<u>(34,694,436)</u>	<u>(34,694,436)</u>
30 June 2014						
Trade and other receivables	10	–	29,491,331	–	29,491,331	29,491,331
Other financial assets	12	138,387	–	–	138,387	138,387
Cash and cash equivalents	13	–	18,636,631	–	18,636,631	18,636,631
		<u>138,387</u>	<u>48,127,962</u>	<u>–</u>	<u>48,266,349</u>	<u>48,266,349</u>
Trade and other payables	16	–	–	(22,583,910)	(22,583,910)	(22,583,910)
Interest-bearing bank loans (unsecured)	17	–	–	(6,108,250)	(6,108,250)	(6,108,250)
		<u>–</u>	<u>–</u>	<u>(28,692,160)</u>	<u>(28,692,160)</u>	<u>(28,692,160)</u>

	Note	Loans and receivables \$	Other financial liabilities \$	Total carrying amount \$	Fair value \$
Company					
30 June 2015					
Trade and other receivables	10	12,230	–	12,230	12,230
Amount due from subsidiaries	11	18,207,440	–	18,207,440	18,207,440
Cash and cash equivalents	13	6,574,510	–	6,574,510	6,574,510
		<u>24,794,180</u>	<u>–</u>	<u>24,794,180</u>	<u>24,794,180</u>
Trade and other payables	16	–	1,527,532	1,527,532	1,527,532
30 June 2014					
Trade and other receivables	10	3,936	–	3,936	3,936
Amount due from subsidiaries	11	17,582,858	–	17,582,858	17,582,858
Cash and cash equivalents	13	6,208,838	–	6,208,838	6,208,838
		<u>23,795,632</u>	<u>–</u>	<u>23,795,632</u>	<u>23,795,632</u>
Trade and other payables	16	–	1,037,804	1,037,804	1,037,804

APPENDIX 4 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Fair values of financial assets and liabilities

The carrying values of the financial assets and financial liabilities carried at amortised cost approximate their fair values as they are short term in nature or reprice within 12 months. The fair values of quoted investments are determined directly by reference to their quoted bid prices as at balance sheet date.

Operating segments

Management determines the operating segments based on the internal reports reviewed and used by the Company's CEO on at least a quarterly basis for strategic decisions making and resources allocation. Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Company's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of business activities. Segment assets are based on geographical location of the assets. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

(a) Business segments

The Group's business comprises predominantly one business segment which is the mould fabrication and manufacture of plastic injection components.

(b) Geographical segments

	Singapore \$'000	China \$'000	Thailand \$'000	Malaysia \$'000	Elimination \$'000	Consolidated \$'000
2015						
Revenue and expenses						
Total revenue from external customers	50,715	35,653	11,666	19,208	–	117,242
Inter-segment revenue	5,928	4,394	39	5,397	(15,758)	–
Total revenue	56,643	40,047	11,705	24,605	(15,758)	117,242
Segment results	1,273	992	467	2,676	–	5,408
Unallocated expenses:						
- finance costs						(194)
Share of results of associate	(12)	–	–	–	–	(12)
Income tax						(1,462)
Profit for the year						3,740

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	Singapore \$'000	China \$'000	Thailand \$'000	Malaysia \$'000	Elimination \$'000	Consolidated \$'000
2015						
Assets and liabilities						
Segments assets	41,447	32,915	14,102	13,865	–	102,329
Unallocated assets:						
- deferred tax assets						659
						<u>102,988</u>
Segments liabilities						
Unallocated liabilities:	18,538	7,953	4,132	4,071	–	34,694
- current tax payable						262
- deferred tax liabilities						1,095
						<u>36,051</u>
Other segmental information						
Depreciation	1,234	1,544	790	849	–	4,417
Capital expenditure	2,665	735	3,981	340	–	7,721
Amortisation of intangible assets	96	263	–	–	–	359
Write off on property, plant and equipment	519	–	–	6	–	525
2014						
Revenue and expenses						
Total revenue from external customers	36,418	45,854	18,079	17,458	–	117,809
Inter-segment revenue	3,386	3,218	22	3,896	(10,522)	–
Total revenue	<u>39,804</u>	<u>49,072</u>	<u>18,101</u>	<u>21,354</u>	<u>(10,522)</u>	<u>117,809</u>
Segment results	179	2,294	1,714	573	–	4,760
Unallocated expenses:						
- finance costs						(221)
Share of results of associate	(15)	–	–	–	–	(15)
Income tax						(1,328)
Profit for the year						<u>3,196</u>

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	Singapore \$'000	China \$'000	Thailand \$'000	Malaysia \$'000	Elimination \$'000	Consolidated \$'000
2014						
Assets and liabilities						
Segments assets	34,059	35,028	11,981	14,347	–	95,415
Investment in associate	206	–	–	–	–	206
Unallocated assets:						
- deferred tax assets						737
						<u>96,358</u>
Segments liabilities	12,897	9,474	2,747	3,575	–	28,693
Unallocated liabilities:						
- current tax payable						425
- deferred tax liabilities						1,061
						<u>30,179</u>
Other segmental information						
Depreciation	1,012	1,871	749	1,021	–	4,653
Capital expenditure	1,928	513	1,613	257	–	4,311
Amortisation of intangible assets	96	263	–	–	–	359
Impairment loss on investment in associate	(153)	–	–	–	–	(153)
Write off on property, plant and equipment	165	–	–	8	–	173

Concentration of revenue

The Group has 5 (2014: 5) major customers which in aggregate contributed to approximately 46% (2014: 34%) of the Group's total revenue across all geographical segments.

26 Subsequent events

Subsequent to the balance sheet date, the directors proposed the following dividends. The dividends have not been provided for at the balance sheet date:

	Group and Company	
	2015	2014
	\$	\$
Final tax exempt dividend proposed of 0.83 cents (2014: 0.72 cents) per share	<u>2,338,287</u>	<u>2,058,267</u>

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The Company, through its wholly owned subsidiary, Chosen Investment Pte Ltd, has acquired another 6.5% equity interest in its subsidiary, Symbonic Pte Ltd, at a nominal sum of \$1.

27 New accounting standards and interpretations not yet adopted

New standards, amendments to standards and interpretations that are not yet effective for the year ended 30 June 2015 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

28 Related Parties

The Group considers the Executive Directors of the Company to be key management personnel in accordance with FRS 24 Related Party Disclosures. These persons have the authority and responsibility for planning, directing & controlling the activities of the Group.

During the year, except as disclosed in the financial statements, there were no other significant related party transactions.

29 Comparative information

During the year, the balance sheet presentation for land use rights was revised to better reflect the nature of these items. The change in the comparative financial statements is as follow:

	As previously reported	Amount reclassified	As reclassified
	\$	\$	\$
Group			
Property, plant and equipment	31,924,345	(977,370)	30,946,975
Other long term assets	325,000	977,370	1,302,370

30 Information about assumptions and estimation uncertainties

In the process of applying the accounting policies, management makes various judgements, apart from those involving estimations, that may affect the amounts recognised in the financial statements in future periods.

Key sources of estimation uncertainty

Recoverable amounts of property, plant and equipment, intangible assets, investments in subsidiaries and associate and trade and other receivables

Determining whether the above assets are impaired requires assumptions to be made regarding the recoverable amounts. This determination takes into account assumptions about future business outlook as well as factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Deferred tax assets

The Group's assessment on the recognition of deferred tax assets on deductible temporary differences and tax losses is based on the forecasted taxable income of the future foreseeable periods. This forecast is based on the subsidiaries' past results and future expectation on revenue and expenses.

APPENDIX 5 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

The rights of Shareholders in respect of capital, dividends and voting as set out in the Company's Articles of Association are reproduced below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Company's Articles of Association.

RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL

6. Subject to the Act and these presents, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 51, 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 subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions 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, Provided always that:
- (a) no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the Members in a General Meeting;
- (b) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 51(1) with such adaptations as are necessary shall apply; and
- (c) any other issue of shares, the aggregate of which would exceed the limits referred to in Article 51(2), shall be subject to the approval of the Company in General Meeting.
7. (1) Without prejudice to any special rights attached to any existing shares or class of shares for the time being, shares in the Company may be issued by the Directors with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise, as the Directors may determine; subject to the rules, bye-laws and listing rules of the Stock Exchange. Provided Always That the total number of issued preference shares shall not at any time exceed the total number of the issued ordinary shares of the Company.
- (2) The Company shall have the power to issue further preference shares ranking equally with or in priority to any preference shares already issued.
- (3) Subject to the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner that the Company shall in the resolution determine.
- (4) The rights attached to the shares of any class for the time being issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pail passu* therewith.
- 7A The Company shall not exercise any right in respect of treasury shares other than as provided in the Act. The rights in relation to treasury shares are to be suspended except for the purposes of bonus shares, share splits and consolidations. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.
8. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and balance sheets, and attending general meetings of the Company but they shall not have the right to vote at such meetings unless the meeting is convened for the purpose

APPENDIX 5 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company, or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividends on the preference shares are in arrears more than six (6) months.

9. The Company may exercise the powers of paying commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors deem fit. Such commission or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.
10. Save as herein otherwise provided the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and a Depositor as the absolute owner of the shares which are entered against his name in the Depository Register and accordingly shall not be bound to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any other rights in respect of any share on the part of any person except as ordered by any court of competent jurisdiction or as by law required.

ALTERATIONS OF CAPITAL

50. (1) The Company may, from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued have been fully paid up or not, by ordinary resolution, increase its capital by the allotment and issue of new shares.

(2) Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges as the Members resolving upon the creation thereof shall direct and if no direction be given, as the Directors shall determine; subject to the provisions of these Articles and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.
51. (1) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the Stock Exchange's listing rules, all new shares shall before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the amount 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 51(1).

(2) Notwithstanding Article 51(1), the Company may by Ordinary Resolution in a General Meeting give to Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to issue shares (whether by way of rights, bonus or otherwise) where:
 - (a) the aggregate number of shares to be issued pursuant to such authority shall be subject to such limits and manner of calculation as may be prescribed by the Stock Exchange;
 - (b) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the rules, bye-laws and listing rules of the Stock Exchange for the time being in force (unless such compliance is waived by the Stock Exchange) and these presents; and

APPENDIX 5 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

(c) unless previously revoked or varied by the Company in General Meeting, such authority to issue shares does not continue 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 is required to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).

52. Subject to the directions that may be given by ordinary resolution under these presents contained relating to the issue of new shares, any capital raised by the creation of new shares shall be considered as part of the original capital and shall without exception be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as if it had been part of the original capital.

53. (1) The Company may by ordinary resolution:

(a) consolidate its shares;

(b) sub-divide its shares, or any of them, (subject, nevertheless, to the provisions of the Statutes and the rules, bye-laws or listing rules of the Stock Exchange), and so that the resolution whereby any share is subdivided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the other, have any such preferred, deferred or other special rights, or may be subject to any such restrictions, as the Company has power to attach to unissued or new shares;

(c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its capital by the number of shares so cancelled; and

(d) subject to the provisions of the Statutes, convert any class of shares into any other class of shares.

(2) The Company may reduce its share capital and any other undistributable reserve in any manner as may be authorized by the Act and any other applicable law.

(3) The Company may, subject to and in accordance with the Act, purchase or otherwise acquire shares in the issued share capital of the Company on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share which is so purchased or acquired by the Company shall 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, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition. In the cancellation of a 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 Statutes any other applicable laws and rules (including without limitation to hold such share as a treasury share).

MODIFICATION OF CLASS RIGHTS

58. Subject to the provisions of Section 74 of the Act and to Article 59, all or any of the rights, privileges or conditions for the time being attached or belonging to any class of shares for the time being forming part of the share capital of the Company may from time to time be modified, affected, varied, extended or surrendered in any manner with the consent in writing of the Members in respect of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the Members of that class.

59. The repayment of preference capital other than redeemable preference capital, or any other alteration of preference shareholders' rights, may only be made pursuant to a special resolution passed at a separate meeting of the preference shareholders concerned; Provided Always That where the necessary majority for such a special resolution is not obtained at the meeting, consent

APPENDIX 5 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

in writing if obtained from the Members in respect of three-fourths of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at a meeting.

60. To any such separate meetings referred to in Articles 58 and 59 all the provisions of these Articles as to general meetings of the Company shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two (2) Members of the class personally present and being or representing by proxy one-third of the share capital paid or credited as paid on the issued shares of the class, and every Member of the class in question shall be entitled on a poll to one vote for every such share in respect of which he is a Member.

CAPITALISATION OF PROFITS AND RESERVES

145. The Directors, may with the sanction of an Ordinary Resolution of the Company, capitalize any sum standing to the credit of any of the Company's reserve accounts (including any undistributable reserve) or any sum standing to the credit of its profit and loss account by appropriating such sum to the persons registered as holders of shares on the Register or (as the case may be) in the Depository Register at the close of business on the date of the resolution (or such other date as may be specified therein or determined) in proportion to their then shareholding of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalization with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorize any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such capitalization and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

RIGHTS OF SHAREHOLDERS IN RESPECT OF VOTING

PROCEEDINGS AT GENERAL MEETINGS

65. All business shall be deemed special that is transacted at an extraordinary general meeting, and all that is transacted at an annual general meeting shall also be deemed special, with the exception of sanctioning a dividend, the consideration of the accounts and balance sheets and the reports of the Directors and auditors, the fixing of the fees of the Directors, the election of Directors in place of those retiring by rotation and the appointment and fixing of the remuneration of the auditors.
66. Except at any time when a corporation is the sole Member, two (2) Members present in person or by proxy shall be a quorum for a general meeting and no business shall be transacted at any general meeting unless a quorum of Members is present when the meeting proceeds to business; For the purposes of this Article "Member" includes a person attending as a proxy. A corporation being a Member shall be deemed to be personally present if represented in accordance with provisions of Article 83.
67. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon the requisition of Members shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week, at the same time and place, unless the same shall be a public holiday, when it shall be adjourned to the day following at the same time and place and if at such adjourned meeting a quorum is not present, those Members who are present, shall be deemed a quorum, and may transact the business for which the meeting was called.

APPENDIX 5 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

68. The Chairman (if any) of the Directors shall preside at every general meeting but if there be no such Chairman or if at any meeting he shall not be present within fifteen (15) minutes after the time appointed for holding the same or shall be unwilling to act as Chairman, the Members present shall choose a Director or if no Director be present or if all the Directors present decline to take the Chair they shall choose some Member present to be Chairman of the meeting.
69. The Chairman of a general meeting may, with the consent of the meeting adjourn the same from time to time and place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for twenty-one (21) days or more notices of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or the business to be transacted at an adjourned meeting.
70. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands a poll be demanded by:
- (a) the Chairman of the meeting; or
 - (b) not less than two Members present in person or by proxy and having the right to vote at the meeting; or
 - (c) a Member present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or
 - (d) a Member present in person or by proxy having the right to vote at the meeting and holding shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares of the Company conferring that right (excluding treasury shares);
- and unless a poll be so demanded a declaration by the Chairman of the meeting that a resolution has been carried by a particular majority or lost or not carried by a particular majority and an entry to that effect in the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.
71. If a poll be demanded in manner aforesaid it shall be taken at such time and place and in such manner as the Chairman shall direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
72. No poll shall be demanded on the election of a Chairman of a meeting or on any question of adjournment.
73. In the case of an equality of votes, either on a show of hands or at a poll, the Chairman of the meeting shall be entitled to a further or casting vote.
74. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

VOTES OF MEMBERS

75. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company, every Member entitled to vote shall have one vote on a show of hands and in case of a poll shall have one vote for every share in respect of which he is a Member, Provided Always That:

APPENDIX 5 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

- (1) Where a Member is represented by more than one proxy, only the first named proxy specified in the relevant instrument of proxy shall be deemed to be authorised to vote on a show of hands and the second named proxy shall not be so entitled to vote unless the first named proxy is not present or fails to cast a vote; and
- (2) If the Member is a Depositor, the Company shall be entitled on a poll to accept as validly cast by a Depositor votes in respect of such number of shares as is equal to the number of shares appearing against his name in the Depository Register forty-eight (48) hours prior to the commencement of the relevant general meeting as certified by CDP to the Company.
76. If any Member be of unsound mind or non compos mentis, he may vote by his committee, receiver, curator, bonis or other legal curator, and such last-mentioned persons may give their votes either personally or by proxy.
77. No person other than a Member duly registered or who is certified by CDP as named in the Depository Register forty-eight (48) hours before the general meeting and who shall have paid everything for the time being due from him and payable to the Company in respect of his shares, shall be entitled to be present or to vote on any question either personally or by proxy, or to be reckoned in a quorum, at any general meeting.
78. In the case of joint Members 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 holder; and for this purpose seniority shall be determined by the order in which the names stand in the Register or Depository Register as the case may be.
79. Each Member entitled to a vote may vote in person or by proxy, attorney or representative. A proxy need not be a Member of the Company, and shall be entitled to speak, move or second resolutions, and exercise all such powers as may be exercised personally by his appointor.
80. (1) A Member may appoint not more than two proxies to attend and vote at the same general meeting. A Member appointing more than one proxy shall specify the percentage of his shares to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent one hundred per cent (100%) of his shareholding and the second named proxy shall be deemed to be an alternate to the first named.
- (2) The Company shall be entitled:
- (a) to reject any instrument of proxy executed by a Depositor if the Depositor's name does not appear in the Depository Register forty-eight (48) hours prior to the commencement of the relevant general meeting as certified by CDP to the Company, and
- (b) for the purpose of a poll, to treat an instrument of proxy executed by a Depositor as representing the number of shares equal to the number of shares appearing against his name in the Depository Register forty-eight (48) hours prior to the commencement of the relevant general meeting' as certified by CDP to the Company, notwithstanding the number of shares actually specified in the relevant instrument of proxy.
- (3) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the shares in respect of which the vote is given Provided That no notice in writing of the death or revocation or transfer shall have been received at the Office at least forty-eight (48) hours before the time fixed for holding the meeting.
81. The instrument appointing a proxy, together with the letter or power of attorney (if any) under which it is signed or a duly certified copy thereof, shall be deposited at the Office at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument is authorised to vote; otherwise the instrument of proxy shall not be treated as valid.

APPENDIX 5 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

82. (1) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:
- (a) in the case of an individual, shall be signed by the appointor or his attorney; and
 - (b) in the case of a corporation, shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.
- (2) The signature on an instrument of proxy need not be witnessed.
- (3) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
83. Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company.

RIGHTS OF SHAREHOLDERS IN RESPECT OF DIVIDENDS

DIVIDENDS

132. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide and except as otherwise permitted under the Statutes and to the provisions hereof:
- (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 purpose of this Article, no amount paid on a share in advance of calls shall be treated as paid on the shares.
133. The Company in general meeting may declare a dividend to the Members according to their rights and interests in the profits and may fix the time for payment. No larger dividend shall be declared than is recommended by the Directors but the Company in general meeting may declare a smaller dividend. No dividend may be paid, unless otherwise provided in the Statutes, to the Company in respect of treasury shares.
134. No dividend shall be payable except out of the profits of the Company. No dividend shall carry interest.
135. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.
136. The Directors may from time to time pay to the Members according to their respective rights in respect of the profits of the Company on account of the next forthcoming dividend such interim dividends as in their judgment the position of the Company justifies.
137. The Directors may retain any dividends 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.

APPENDIX 5 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

138. Any general meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of wholly or partly paid-up shares, debentures, or debenture stock of the Company, or wholly or partly paid-up shares, debentures, or debenture stock of any other company, or in anyone or more of such ways, and the Directors shall give effect to such resolution; and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets, or any part thereof and may determine that cash payments shall be made to any Members 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 upon such trusts for the persons entitled to the dividend as may seem expedient to the Directors. Where requisite, a proper contract shall be filed in accordance with Section 63. of the Act, and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend, and such appointment shall be effective.
139. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
140. The Directors may retain the dividends payable upon registered shares in respect of which any person is under Article 33 entitled to become a Member, or which any person under that Article is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same.
141. Notice of declaration of any dividends, whether interim or otherwise may be given by advertisement in such manner as the Directors shall think fit.
142. Unless otherwise directed, any dividend may be paid by cheque, warrant or post office order, sent through the post to the address of the Member entitled appearing in the Register or the Depository Register, as the case may be, or in the case of a joint Member to that one whose name shall stand first on the Register or the Depository Register, as the case may be, in respect of the joint shareholding, and every cheque, warrant or post office order so sent shall be made payable to the order of the person to whom it is sent. The payment by the Company to CDP of any dividend payable or distribution due to a Depositor shall, to the extent of the payment or distribution made, discharge the Company from any liability in respect of that payment or distribution.
143. The Company shall not be responsible for the loss of any cheque, warrant or post office order which shall be sent by post duly addressed to the Member for whom it is intended.
144. 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 unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. Where dividends have not been disposed of or otherwise dealt with by the Directors pursuant to Article 144 for a period of six (6) years from the date of declaration of such dividend, such dividends shall be forfeited and if so shall revert to the Company but 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 the Depository returns any such dividends or moneys to the Company, the relevant Depositor entitled thereto shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six (6) years has elapsed from the date of the declaration of such dividend or the date on which such other moneys are first payable.

RESERVE FUND

146. The Directors may before recommending any dividend or bonus in respect of any class of shares out of or in respect of the earnings or profits of the Company for any yearly or other period, cause to be reserved or retained and set aside out of such profits such sum as may then be determined to form a reserve fund to meet contingencies or depreciation in the value of the property of the Company or for equalising dividends or for repairing, improving and maintaining the property of

APPENDIX 5 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

the Company, providing against losses, meeting claims on or liabilities of the Company or for such other purposes as the Directors shall in their absolute discretion think conducive to the interests of the Company.

147. All moneys carried to the reserve fund and all other moneys of or borrowed by the Company while not immediately applicable or required for payment to be made by the Company may be either employed in the business of the Company without being kept separate from the other assets, or be invested by the Directors upon such securities as the Directors may from time to time think proper, with power for them from time to time to deal with and vary such investments and to dispose of all or any part thereof for the benefit of the Company and divide the reserve fund into such special funds, re-transfer the reserve fund or any part thereof to the credit of profit and loss account or otherwise deal with the same as they think fit.

APPENDIX 6 – EXTRACTS OF VALUATION REPORTS

Cushman & Wakefield VHS Pte. Ltd.
Company Registration No. 200709839D

3 Church Street
#09-03 Samsung Hub
Singapore 049483
Tel: (65) 6535 3232
Fax: (65) 6535 1028

www.cushmanwakefield.com



17 September 2015

The Board of Directors
Chosen Holdings Limited.
17 Woodlands Terrace
Singapore 738442

Dear Sirs

VALUATION OF THE PORTFOLIO OF INDUSTRIAL PROPERTIES COMPRISING:

1. 17 WOODLANDS TERRACE, SINGAPORE 738442;
2. 7 GAMBAS CRESCENT #02-16 ARK@GAMBAS, SINGAPORE 757087;
3. 7 GAMBAS CRESCENT #02-17 ARK@GAMBAS, SINGAPORE 757087;
4. 21 JALAN GEMILANG 1, TAMAN PERINDUSTRIAN CEMERLANG, 81800 ULU TIRAM, JOHOR BAHRU, JOHOR, MALAYSIA;
5. 23 JALAN GEMILANG 1, TAMAN PERINDUSTRIAN CEMERLANG, 81800 ULU TIRAM, JOHOR BAHRU, JOHOR, MALAYSIA;
6. 107 MOO 1 HI-TECH INDUSTRIAL ESTATE, ASIA-NAKORNSAWAN ROAD, TAMBOL BANLANE, AMPHUR BANGPA-IN, AYUTTHAYA 13160, THAILAND
7. 150/83 MOO 1 NONGKHAM, SRIRACHA, CHONBURI PROVINCE 20110, THAILAND
8. AN INDUSTRIAL COMPLEX COMPRISING 2 BUILDINGS ERECTED UPON A PLOT OF INDUSTRIAL LAND SITUATED AT NO. 238 RI YING ROAD (SOUTH), WAI GAO QIAO FREE TRADE ZONE, PUDONG, SHANGHAI, THE PEOPLE'S REPUBLIC OF CHINA
(TO BE COLLECTIVELY KNOWN AS "THE PROPERTIES")

Cushman & Wakefield VHS Pte Ltd ("C&W") have been instructed by **CHOSEN HOLDINGS LIMITED**. ("CHOSEN") to provide the market values and formal valuation reports in respect of the above mentioned properties ("the Properties") for the disclosure in the circular to shareholders purposes. C&W Singapore worked together with its related partners and overseas alliances on the assignment and are pleased to report in the following.

We have been specifically instructed to provide our opinion of the interests of the Properties as at our respective date of inspection of the Properties between 10 September 2015 and 11 September 2015, assuming free from any encumbrances.

C&W have prepared formal valuation reports (the "Reports") in accordance with the requirements of the instructions and our valuation has been prepared in accordance with the requirements set out in the Singapore Institute of Surveyors and Valuers Valuation Standards and Guidelines, the International Valuation Standards (2013) published by the International Valuation Standards Council and effective from 1 July 2013; the RICS Valuation – Professional Standards (January 2014) Published by the Royal Institution of Chartered Surveyors (the "Red Book"); and the HKIS Valuation Standards 2012 Edition published by The Hong Kong Institute of Surveyors.

The term 'Market Value' as used in the context of this valuation is defined as 'the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion'.

Our valuation has been made on the assumption that the seller sells the Properties in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the Properties.

As the Properties are held under long term leasehold interest or land use rights, we have assumed that the owner has free and uninterrupted rights to use the Properties for the whole of the unexpired term of the leasehold interest or land use rights.



In the course of the valuation, we have assumed that all the leases and agreements are legally valid and enforceable and the Properties have proper legal titles that can be freely transferable, leased and sub-leased in the market without being subject to any land premium or any extra charges, unless otherwise stated. Also, we have assumed that the Properties have been constructed, occupied and used in full compliance with, and without contravention of, all ordinances or covenants, and all required licences, permits, certificates and authorizations have been obtained from the local authorities, except only where otherwise stated.

No allowance has been made in our reports for any charges, mortgages or amounts owing on the Properties valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature, which would affect their values.

We have relied to a very considerable extent on the information provided by CHOSEN, in particular, but not limited to, land leases/tenure, planning approvals, statutory notices, easements, particulars of occupancy, floor plans, floor areas, identification of the Properties all other relevant matters.

Dimensions, measurements and areas stated in the valuation certificate attached are based on the information contained in the documents provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the CHOSEN. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

We have been, in some instances, provided by CHOSEN with copies of various title documents, land leases, land rent statement, certificate of completion and official plans, wherever applicable, relating to the property interests in the Singapore, Malaysia, Thailand and People's Republic of China ("China") and have made relevant enquiries. However, we have not searched the original documents nor have we verified the existence of any lease amendments, which do not appear in the documents available to us. All documents have been used for reference only.

In addition, we have not been provided with the relevant details on the encumbrances that are attached to the subject properties (if any). We are therefore unable to comment on any related matters and strongly advise that a legal opinion should be sought regarding the legality, transferability of title and the existence of any current or potential encumbrances attached to the properties.

We have inspected the exterior and, where possible, the interior of the Properties in September 2015. However, no structural survey was made, but in the course of our inspections, we did not note any serious defects to the Properties. We are not, however, able to report that the Properties are free from rot, infestation or any structural defect. No tests were carried out to any of the services.

We have also not carried out investigations on site in order to determine the suitability of ground conditions, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.

We have not carried out detailed site measurements to verify the correctness of the site areas and the floor areas in respect of the Properties but have assumed that the areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

Valuation Approaches

In arriving at our opinion of Market Value of the Properties, we have adopted the Direct Comparison Approach and/or Capitalization/ Investment Method where appropriate.

Capitalization/ Investment Method

We have valued the property interests wherever appropriate, using the capitalization /investment method by capitalizing the gross or net income, where applicable, at an appropriate capitalization rate over the remaining lease term or tenure. Capitalization rate was obtained by comparing capitalization rates of similar properties in market transactions, where available. Alternatively, the term and reversion approach may be used by taking into account the rental income of the property derived from the existing tenancy with due allowance for the reversionary income potential, which are then capitalised into the value at an appropriate capitalisation rate.

APPENDIX 6 – EXTRACTS OF VALUATION REPORTS



Direct Comparison Method

Where appropriate, we have valued the property interests by the sales comparison approach by making reference to comparable sale evidence as available in the relevant market. Appropriate adjustments are made for any differences between the property and the comparable.

Depreciated Replacement Cost Approach

Where appropriate, we have also cross-checked the property interests by the cost approach by deducting the accrued depreciation from the reproduction cost.

Our valuations have been undertaken on a Goods and Services Tax or Ad Valorem Tax exclusive basis.

Summary of Values

No.	Property Address	Market Value in Existing State in local currency	Market Value in Existing State in Singapore Dollar (SGD)
1.	17 Woodlands Terrace, Singapore 738442	SGD 10,500,000	SGD 10,500,000
2.	7 Gambas Crescent #02-16 ARK @ Gambas, Singapore 757087	SGD 795,000	SGD 795,000
3.	7 Gambas Crescent #02-17 ARK @ Gambas, Singapore 757087	SGD 798,000	SGD 798,000
4.	21 Jalan Gemilang 1, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Bahru, Johor, Malaysia	RM 5,900,000	SGD1,937,560
5.	23 Jalan Gemilang 1, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Bahru, Johor, Malaysia	RM 5,200,000	SGD1,707,680
6.	107 Moo 1 Hi-Tech Industrial Estate, Asia-Nakornsawan Road, Tambol Banlane, Amphur Bangpa-in, Ayutthaya 13160, Thailand	Baht 55,600,000	SGD2,181,466
7.	150/83 Moo 1 Nongkham Sriracha, Chonburi Province 20110, Thailand	Baht 96,100,000	SGD3,770,484
8.	An industrial complex comprising 2 buildings erected upon a plot of industrial land situated at No. 238 Ri Ying Road (South), Wai Gao Qiao Free Trade Zone, Pudong, Shanghai, the People's Republic of China	RMB65,550,000	SGD14,543,579

Note: Based on exchange rate of RM1 = SGD0.3284, Baht 1 = SGD0.039235 and RMB1 = SGD0.22187 as at 11 September 2015

More property details may be found in the Valuation Certificates attached hereto.

Reliance on This Letter

For the specific purposes of disclosure in the circular to shareholders, we have instructed to provide a Valuation Summary with brief descriptions of the Properties together with the key factors that have been considered in arriving at the opinion of value of the Properties. The value conclusions reflect all information that is known by the valuers of C&W who worked on the valuations in respect to the Properties, market conditions and available data.

APPENDIX 6 – EXTRACTS OF VALUATION REPORTS



This letter together with its attachments is a summary of the full Reports that we have prepared and it does not contain all the necessary information and assumptions that are included in the Reports. Further reference may be made to the Reports, copies of which are held by CHOSEN.

Disclaimer

We have prepared this Valuation Summary that appears in the circular to shareholders and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the circular to shareholders, other than in respect of the information provided within the valuation reports and summary. We do not make any warranty or representation as to the accuracy of the information in any part of the circular to shareholders other than as expressly made or given in this valuation summary.

All information provided to us by CHOSEN is treated as correct and true and we accept no responsibility for subsequent changes in information and reserve the right to change our valuation if any information provided were to materially change.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions.

We have no present or prospective interest in the Properties and are not a related corporation of nor do we have a relationship with the property owner(s) or other party/parties whom CHOSEN is contracting with.

The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that the valuers undertaking the valuation are authorized to practice as valuers and have the necessary experience in valuing similar types of properties.

Yours faithfully,
CUSHMAN & WAKEFIELD VHS PTE. LTD.

A handwritten signature in black ink, appearing to read 'Chew May Yen'.

Chew May Yenk
Executive Director, Valuation & Advisory,
Singapore
MSISV, Licensed Appraiser No AD41-
2004419H

A handwritten signature in black ink, appearing to read 'Wong Wai Kun'.

Wong Wai Kun
Director
IVPS Property Consultant Sdn Bhd (822703-M)
Malaysia
MRISM, MRICS, MPEPS, Registered Valuer – V628

A handwritten signature in black ink, appearing to read 'Philip Tsang'.

Philip C.Y. Tsang
Director, Valuation & Advisory Services, Greater
China
Registered Professional Surveyor (General Practice)
Registered China Real Estate Appraiser
MSc, MHKIS

A handwritten signature in black ink, appearing to read 'Pairoj Kwansuksathit'.

Pairoj Kwansuksathit
Director, Valuation Advisory, Thailand
Nexus Property Consultants Company Limited
MRICS, Qualified Senior/ Valuer No.313



Counter Signatory:

The above signatories verify that this summary and valuation certificates are genuine. The opinion of the values expressed for each property has been arrived at by Cushman & Wakefield Singapore, DTZ/Cushman & Wakefield China, IVPS Property Consultant Sdn Bhd and Nexus Property Consultants Company Limited appraiser(s) who valued the respective properties in Singapore, China, Malaysia and Thailand respectively.

Ms Chew May Yen graduated from the National University of Singapore with a B.Sc (Estate Management). She has over 25 years valuation and advisory experience in real estate industry and assets valuation sector. Her experience covers Singapore, ASEAN countries, India, Japan and other overseas countries. She is an appraiser licenced by the Inland Revenue Authority of Singapore and a member of the Singapore Institute of Surveyors and Valuers

Mr Philip C.Y. Tsang has over 22 years' of experience in the valuation of properties in the PRC. He holds a Master of Science Degree (MSc). He is a member of the Hong Kong Institute of Surveyors (MHKIS), a Registered Professional Surveyor (General Practice) and a Registered China Real Estate Appraiser.

Mr Wong Wai Kun has 15 years of valuation and advisory experience in real estate industry and assets valuation sector in Malaysia. He is a registered valuer and registered estate agent with Board of Valuer, Appraiser and Estate Agents of Malaysia and a member of the Royal Institution of Surveyor Malaysia (RISM).

Mr. Pairoj Kwansukstith graduated from the B.B.A (Marketing) Faculty of Business Administration Ramkhamhaeng University and Certificate in Real Estate Valuation & Investment Faculty of Architecture & Building National University of Singapore (NUS). Pairoj has over 20-year experiences in property valuation; he has acted for many local real estate developers, asset management companies and multi-national corporations on valuations. He is an appraiser licenced approved by the Stock Exchange Commission of Thailand (SEC) and a member of the Royal Institute of Chartered Surveyors (MRICS), Member of the Valuers Association of Thailand (VAT) and Member of Thai Valuers Association (TVA).

Encl.

APPENDIX 6 – EXTRACTS OF VALUATION REPORTS



VALUATION CERTIFICATE

Date of Valuation:	10 September 2015
Property:	17 Woodlands Terrace Singapore 738442
Legal Description:	Lot 2588K Mukim 13
Interest Valued:	Leasehold for a term of 30 + 30 years commencing from 1 April 1996
Registered Lessee/Licensee:	Chosen Plastic Pte Ltd
Brief Description of Property:	The Property comprises a 2-storey JTC standard detached factory. According to information provided, the development was originally completed circa 1990s. Addition and alteration works were carried out to the building in the early 2000s. Renovations were also carried out to refurbish the conference room and improve the flooring and ceiling in 2010/2011 in addition to partitioning works in 2014.
Land Area:	5,014.2 square metres (53,972 square feet)
Gross Floor Area (GFA):	3,551.91 square metres (38,232 square feet)
Permitted Use:	For purpose of the manufacture of plastic injection parts, precision metal moulds and sub-assembly of plastic products only.
Occupancy Details:	Owner-occupied
Master Plan Zoning (2014):	Business 2 with plot ratio 2.5
Annual Land Rent:	\$128,684.90/-
Annual Value:	\$397,000/-
Basis of Valuation:	Market Value
Method of Valuation:	Direct Comparison Method
Market Value:	S\$10,500,000/- (Singapore Dollars Ten Million and Five Hundred Thousand Only)
Value psm of GFA:	S\$2,956/-

For and on behalf of
Cushman & Wakefield VHS Pte. Ltd.

A handwritten signature in black ink, appearing to read "Chew May Yen".

CHEW MAY YENK, MSISV
Licensed Appraiser No AD041-2004419H

This Valuation Certificate is a summary of the full report that Cushman & Wakefield have carried out and it does not contain all the necessary information, assumptions and limiting conditions that are included in the report. Further reference may be made to the report, copies of which are held by Chosen Holdings Limited

APPENDIX 6 – EXTRACTS OF VALUATION REPORTS



VALUATION CERTIFICATE

Material Date of Valuation:	10 September 2015
Property:	7 Gambas Crescent #02-16, Ark@Gambas, Singapore 757087
Legal Description:	Lot U104892V Mukim 13
Interest Valued:	Leasehold for a term of 60 years commencing from 20 February 2012
Registered Proprietor:	Chosen Plastic Pte Ltd
Brief Description of Property:	The Property comprises a strata-titled industrial unit located on the 2 nd floor within a 9-storey part ramp-up/ part flatted industrial development known as Ark@Gambas. The development obtained its Temporary Occupation Permit and Certificate of Statutory Completion on 21 November 2014 and 12 March 2015 respectively.
Strata Floor Area (SFA):	159 square metres (1,711 square feet)
Occupancy Details:	Owner-occupied
Town Planning:	Business 1 with plot ratio 2.5
Basis of Valuation:	Market Value
Method of Valuation:	Direct Comparison Method
Market Value:	S\$795,000/- (Singapore Dollars Seven Hundred and Ninety-Five Thousand Only)
Value psm of SFA:	S\$5,000/-

For and on behalf of
Cushman & Wakefield VHS Pte. Ltd.

A handwritten signature in black ink, appearing to read "Chew May Yen", written over a light grey circular stamp.

CHEW MAY YENK, MSISV
Licensed Appraiser No AD041-2004419H

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APPENDIX 6 – EXTRACTS OF VALUATION REPORTS



VALUATION CERTIFICATE

Material Date of Valuation:	10 September 2015
Property:	7 Gambas Crescent #02-17, Ark@Gambas, Singapore 757087
Legal Description:	Lot U104894T Mukim 13
Interest Valued:	Leasehold for a term of 60 years commencing from 20 February 2012
Registered Proprietor:	Chosen Plastic Pte Ltd
Brief Description of Property:	The Property comprises a corner strata-titled industrial unit located on the 2 nd floor within a 9-storey part ramp-up/ part flatted industrial development known as Ark@Gambas. The development obtained its Temporary Occupation Permit and Certificate of Statutory Completion on 21 November 2014 and 12 March 2015 respectively.
Strata Floor Area:	158 square metres (1,701 square feet)
Occupancy Details:	Owner-occupied
Town Planning:	Business 1 with plot ratio 2.5
Basis of Valuation:	Market Value
Method of Valuation:	Direct Comparison Method
Market Value:	S\$798,000/- (Singapore Dollars Seven Hundred and Ninety-Eight Thousand Only)
Value psm of SFA:	S\$5,051/-

For and on behalf of
Cushman & Wakefield VHS Pte. Ltd.

A handwritten signature in black ink, appearing to read "Chew May Yen", written over a light grey circular stamp.

CHEW MAY YENK, MSISV
Licensed Appraiser No AD041-2004419H

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APPENDIX 6 – EXTRACTS OF VALUATION REPORTS



Associate Member of **CUSHMAN & WAKEFIELD**

IVPS PROPERTY CONSULTANT SDN. BHD. (822703-M)
(Formerly known as YY Property Solutions (Valuation) Sdn Bhd)
Lot 3-2, Level 3, Wisma WIM,
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Taman Tun Dr. Ismail,
60000 Kuala Lumpur, Malaysia.

Tel : 603-7728 4117
Fax : 603-7727 1448
Email : valuation@ivpsmalaysia.com
Website : www.ivpsmalaysia.com
www.cushmanwakefield.com

VALUATION CERTIFICATE

Date of Valuation: 11 September 2015

Property: **No. 21, Jalan Gemilang 1, Taman Perindustrian Gemerlang, 81800 Ulu Tiram, Johor Darul Takzim**

Legal Description: Geran 136446, Lot 111425 (formerly HS(D) 237402, PTD 115358), Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim

Interest Valued: Interest in perpetuity

Registered Proprietor(s): Chosen Plastic Sdn Bhd

Brief Description of Property: A Single Storey Detached Factory with Double Storey Office Annex.

Land Area: 4,467 square metres (48,082 square feet)

Gross Floor Area (GFA): 3,529.06 square metres (37,986 square feet)

Annual Land Rent: RM1,200/-

Property Assessment: RM14,292/-

Town Planning: Zoned for industrial use

Basis of Valuation: Market Value

Methods of Valuation: Comparison Method and Investment Method

Market Value: **RM5,900,000/-**
(Ringgit Malaysia: Five Million And Nine Hundred Thousand Only)

Value psm of GFA: RM1,672/-

For and on behalf of
IVPS PROPERTY CONSULTANT SDN BHD
(Formerly known as YY Property Solutions (Valuation) Sdn Bhd)

WONG WAI KUN, MRISM, MRICS
REGISTERED VALUER, V-628
WWW/PKL

APPENDIX 6 – EXTRACTS OF VALUATION REPORTS



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Tel : 603-7728 4117
Fax : 603-7727 1448
Email : valuation@ivpsmalaysia.com
Website : www.ivpsmalaysia.com
www.cushmanwakefield.com

VALUATION CERTIFICATE

Date of Valuation: 11 September 2015

Property: **No. 23, Jalan Gemilang 1, Taman Perindustrian Gemerlang, 81800 Ulu Tiram, Johor Darul Takzim**

Legal Description: Geran 136447, Lot 111426 (formerly HS(D) 237403, PTD 115359), Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim

Interest Valued: Interest in perpetuity

Registered Proprietor(s): Chosen Plastic Sdn Bhd

Brief Description of Property: A Single Storey Detached Factory with Double Storey Office Annex

Land Area: 3,835 square metres (41,280 square feet)

Gross Floor Area (GFA): 3,241.99 square metres (34,896 square feet)

Annual Land Rent: RM1,200/-

Property Assessment: RM10,680/-

Town Planning: Zoned for industrial use

Basis of Valuation: Market Value

Methods of Valuation: Comparison Method and Investment Method

Market Value: **RM5,200,000/-**
(Ringgit Malaysia: Five Million And Two Hundred Thousand Only)

Value psm of GFA: RM1,604/-

For and on behalf of
IVPS PROPERTY CONSULTANT SDN BHD
(Formerly known as YY Property Solutions (Valuation) Sdn Bhd)

WONG WAI KUN, MRISM, MRICS
REGISTERED VALUER, V-628
WWK/PKL

APPENDIX 6 – EXTRACTS OF VALUATION REPORTS

Nexus Property Consultants Co., Ltd.
บริษัท เน็กซ์ พร็อพเพอร์ตี้ คอนซัลแตนท์ จำกัด
31st Floor, Bangkok Insurance Building / Y.W.C.A.
25 South Sathorn Road, Thungmahamek
Sathorn, Bangkok 10120, Thailand
Tel : (662) 286 8899
Fax : (662) 286 2863
Email: info@nexus.co.th
Website: www.nexus.com



VALUATION CERTIFICATE

Date of Valuation:	11 September 2015
Property:	No.107 Moo 1, Hi-Tech Industrial Estate, Asia-Nakornsawan Road (Highway No.32), Banglane Subdistrict, Bangpa-In District, Ayutthaya Province.
Legal Description:	Title Deed No.47921, Lot No.75, Surveyed No.2578, Bang Wa Subdistrict, Bangpa-In District, Ayutthaya Province.
Interest Valued:	Interest in perpetuity
Registered Proprietor(s):	Chosen (Thailand) Co., Ltd.
Brief Description of Property:	A Single-Storey Detached Factory with Double Office Annex
Land Area:	4,480 square meters (48,222 square feet)
Gross Floor Area (GFA):	3,142 square meters (33,820 square feet)
Government Assessment Value:	Land: Baht 5,600,000 Building: Baht 10,048,803 Total: Baht 15,648,803
Town Planning:	Draft Town Plan is proposed to be Industrial & Warehouse
Basis of Valuation:	Market Value
Methods of Valuation:	Cost Approach and Income Approach
Market Value:	Baht 55,600,000.- (Fifty Five Million and Six Hundred Thousand Baht)
Value psm of GFA:	Baht 17,695.-

Respectfully submitted,
NEXUS PROPERTY CONSULTANTS CO., LTD.

Pairoj Kwansukstith, MRICS
Director, Valuation Advisory, Thailand
Qualified Senior / Valuer No.313

APPENDIX 6 – EXTRACTS OF VALUATION REPORTS

Nexus Property Consultants Co., Ltd.
บริษัท เน็กซ์ พร็อพเพอร์ตี้ คอนซัลแตนท์ จำกัด
31st Floor, Bangkok Insurance Building / Y.W.C.A.
25 South Sathorn Road, Thungmahamek
Sathorn, Bangkok 10120, Thailand
Tel : (662) 286 8899
Fax : (662) 286 2863
Email: info@nexus.co.th
Website: www.nexus.com



VALUATION CERTIFICATE

Date of Valuation:	11 September 2015
Property:	No.150 Moo 1, Pinthong 2 Industrial Estate, By Pass-Laemchabang Road (Highway No.331), Nongkham Subdistrict, Sriracha District, Chonburi Province.
Legal Description:	Title Deed No.173127, Lot No.5048, Surveyed No.30061, Nongkham Subdistrict, Sriracha District, Chonburi Province.
Interest Valued:	Interest in perpetuity
Registered Proprietor(s):	Chosen (Thailand) Co., Ltd.
Brief Description of Property:	A single Storey Detached Factory with Double Office Annex
Land Area:	9,366.8 square meters (100,823 square feet)
Gross Floor Area (GFA):	5,123 square meters (55,144 square feet)
Government Assessment Value:	Land: Baht 11,708,500 Building: Baht 28,708,050 Total: Baht 40,416,550
Town Planning:	Draft Town Plan is proposed to be Industrial & warehouse
Basis of Valuation:	Market Value
Methods of Valuation:	Cost Approach and Income Approach
Market Value:	Baht 96,100,000.- (Ninety Six Million and One Hundred Thousand Baht)
Value psm of GFA:	Baht 18,758.-

Respectfully submitted,
NEXUS PROPERTY CONSULTANTS CO., LTD.

Pairoj Kwansukstith, MRICS
Director, Valuation Advisory, Thailand
Qualified Senior / Valuer No.313

APPENDIX 6 – EXTRACTS OF VALUATION REPORTS

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Central, Hong Kong
Tel +852 2507 0507
Fax +852 2530 1502
cushmanwakefield.com



CUSHMAN &
WAKEFIELD

VALUATION CERTIFICATE

Date of Valuation:	11 September 2015
Property:	An industrial complex comprising 2 buildings erected upon a plot of industrial land situated at No. 238 Ri Ying Road (South), Wai Gao Qiao Free Trade Zone, Pudong, Shanghai, the People's Republic of China
Legal Description:	No. 3 Qiu, No. 78 Jiefang, Wai Gao Qiao Free Trade Zone, Pudong
Interest Valued:	An industrial complex comprising 2 industrial buildings (with a total gross area of 11,674.32 square metres) erected on a plot of industrial land (with a total site area of 8,413 square metres) with a land use term from 20 January 2000 to 19 January 2050 for industrial use.
Registered Owner:	Chosen Enterprise (Shanghai) Co., Ltd.
Brief Description:	The Property comprises 2 industrial buildings erected on a plot of industrial land with a total site area of approximately 8,413 square metres. The Property has a total gross floor area of approximately 11,674.32 square metres and was completed in 2001.
Land Area:	8,413 square metres
Gross Floor Area (GFA):	As per Shanghai Realty Title Ownership Certificate, the Property has a total gross floor area of 11,674.32 square metres.
Occupancy Details:	Portions of the Property with a gross floor area of 21 square metres was leased at a current monthly rent of RMB1,200 for a lease term expiring on 14 March 2017. Portions of the Property with a gross floor area of 2,406 square metres was leased to a connected party of the Company at a current monthly rent of RMB85,785 for a term expiring on 30 June 2018.
Town Planning:	As per Shanghai Realty Title Ownership Certificate, the Property is permitted for industrial use.
Basis of Valuation:	Market value of the Property in its existing state
Method of Valuation:	Direct Comparison Method and Investment Method
Market Value:	RMB65,550,000 (Renminbi Sixty Five Million Five Hundred Fifty Thousand Only)
Value psm of GFA:	RMB5,615
Assumptions, Disclaimers and Limitations	<i>This valuation certificate is provided subject to the assumptions, limitations and disclaimers detailed throughout this value letter and the valuation certificate which are made in conjunction with those included within the Assumptions, Limitations & Disclaimers section located within this report. Reliance on this letter and the valuation report summary and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.</i>

For and on behalf of
DTZ Debenham Tie Leung Limited
(a member of Cushman & Wakefield)

Philip C.Y. Tsang
Registered Professional Surveyor (General Practice)
Registered China Real Estate Appraiser
MSc, MHKIS
Director, Valuation & Advisory Services, Greater China