

**VALUETRONICS HOLDINGS LIMITED**

(Incorporated in Bermuda)

**FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2007****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS****1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Group Income Statement for year ended 31 March 2007. These figures have not been audited.

	Group		
	HK\$'000		%
	FY 2007	FY 2006	Increase/ (Decrease)
Revenue	723,867	601,890	20.3%
Cost of Sales	(577,403)	(482,032)	19.8%
<b>Gross Profit</b>	<b>146,464</b>	<b>119,858</b>	<b>22.2%</b>
Other income	9,477	3,039	211.8%
Selling and distribution costs	(16,874)	(12,180)	38.5%
Administrative expenses	(62,429)	(44,962)	38.8%
Net other operating gain	9,096	826	1,001.2%
<b>Profit From Operations</b>	<b>85,734</b>	<b>66,581</b>	<b>28.8%</b>
Finance costs	(328)	(287)	14.3%
<b>Profit Before Tax</b>	<b>85,406</b>	<b>66,294</b>	<b>28.8%</b>
Income tax expense	(11,191)	(7,600)	47.3%
<b>Net Profit attributable to shareholders</b>	<b>74,215</b>	<b>58,694</b>	<b>26.4%</b>

**Note:**

The Group's profit before tax is arrived at after charging/(crediting) :

	Group	
	HK\$'000	
	FY 2007	FY 2006
Depreciation	11,021	11,047
Amortisation of prepaid land lease payments and land use rights	50	-
Gain on disposals of property, plant and equipment	(174)	(138)
Reversal of inventories obsolescence (Note a)	(9,438)	(1,375)
Allowance for doubtful debts	342	549
Listing expenses	5,433	2,107
Interest Income (Note b)	(3,116)	(1,548)
Interest expenses	4	103
Bank charges (included as finance costs)	324	184
Exchange gain (Note c)	(822)	(320)

Income tax expense for year ended 31 March 2007 included under provision of income tax expense of HK\$1,145,000 for the previous years (2006: Overprovision of HK\$12,000).

Note a. Reversal of inventories obsolescence resulted from decrease in specific provision for stock obsolescence.

Note b. Interest income increased resulting from higher level of bank and cash balances.

Note c. Exchange gain increased mainly resulting from stronger exchange rate of USD against HKD.

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	At 31.3.2007	At 31.3.2006	At 31.3.2007	
	HK\$'000	HK\$'000	HK\$'000	
<b>Non-current assets</b>				
Prepaid land lease payments and land use rights	18,244	-	-	
Property, plant and equipment	38,823	24,917	-	
Interests in subsidiaries	-	-	83,330	
Deposit paid for acquisition of properties and land use rights	6,144	9,548	-	
Club membership	200	-	-	
Long term receivable	2,000	-	-	
	65,411	34,465	83,330	
<b>Current assets</b>				
Available-for-sale financial assets	11,610	3,850	-	
Inventories	69,197	54,743	-	
Trade receivables	131,624	87,778	-	
Prepaid land lease payments and land use rights	392	-	-	
Prepayment, deposits and other receivables	5,521	4,437	-	
Due from a subsidiary	-	-	28,015	
Pledged fixed deposit with a bank	-	3,102	-	
Bank and cash balances	176,590	76,651	99,858	
	394,934	230,561	127,873	
<b>Total assets</b>	460,345	265,026	211,203	
<b>Current liabilities</b>				
Trade payables	120,555	98,939	-	
Accruals, other payables and deposits received	110,392	85,481	6,111	
Current tax liabilities	4,217	4,882	-	
	235,164	189,302	6,111	
<b>Non-current liabilities</b>				
Deferred tax liabilities	2,058	907	-	
<b>Total liabilities</b>	237,222	190,209	6,111	
	223,123	74,817	205,092	
<b>Share capital and reserves</b>				
Share capital	35,500	130	35,500	
Reserves	187,623	74,687	169,592	
<b>Shareholders' funds</b>	223,123	74,817	205,092	

During the year, the Group undertook a restructuring exercise ("Restructuring Exercise") to rationalize the structure of the Group in preparation for the listing of the Company's shares on the Singapore Exchange Securities Trading Limited ("SGX-ST"). Following the implementation of the Restructuring Exercise, the Company became the holding company of the Group on 6 February 2007 and a pooling-of-interests method of consolidation is adopted. The identifiable assets and liabilities were accounted for at their historical cost and the shares issued were recorded at par value, in a manner similar to the pooling-of-interests method of consolidation.

Under the pooling-of-interests methods, the combined assets, liabilities and reserves of the pooled enterprises are recorded at their existing carrying amounts at the date of amalgamation.

There are no comparative figures for the Company as this is the first set of financial statements of the Company since its incorporation on 18 August 2006.

### 1(b)(ii) Aggregate amount of group's borrowings and debt securities.

#### Amount repayable in one year or less, or on demand

As at 31 March 2007		As at 31 March 2006	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
-	-	-	-

#### Amount repayable after one year

As at		As at	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
-	-	-	-

#### Details of any collateral

The Group's banking facilities are offered against the personal guarantees provided by certain directors of the Company and corporate guarantees executed by certain subsidiaries of the Group. In addition, the Group is required to maintain the bank balances with two banks of not less than HK\$9,100,000. We have started negotiation with our bankers to discharge the personal guarantees provided by these directors.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group	
	HK\$'000	
	FY2007	FY2006
<b>Cash flows from operating activities</b>		
Profit before tax	85,406	66,294
Adjustment for :		
Amortisation of prepaid land lease payments and land use rights	50	-
Depreciation	11,021	11,047
Gain on disposals of property, plant and equipment	(174)	(138)
Interest expenses	4	103
Interest income	(3,116)	(1,548)
<b>Operating profit before working capital changes</b>	<b>93,191</b>	<b>75,758</b>
Increase in prepaid land lease payments	(9,138)	-
Increase in deposit paid for acquisition of properties and land use rights	(6,144)	(9,548)
Increase in long term receivables	(2,000)	-
Increase in inventories	(14,454)	(9,129)
Increase in trade receivables	(43,846)	(21,147)
Increase in prepayments, deposits and other receivables	(1,084)	(1,393)
Increase in trade payables	21,616	17,381
Increase in accruals, other payables and deposit received	21,671	20,546
<b>Cash generated from operations</b>	<b>59,812</b>	<b>72,468</b>
Tax paid	(10,705)	(2,654)
Interest paid	(4)	(103)
<b>Net cash from operating activities</b>	<b>49,103</b>	<b>69,711</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(25,000)	(5,218)
Purchase of club membership	(200)	-
Purchase of available-for-sale financial assets	(7,760)	-
Decrease in pledged fixed deposit with a bank	3,102	2,581
Proceeds from disposals of property, plant and equipment	247	161
Proceeds from disposals of available-for-sale financial assets	-	2,150
Interest received	3,116	1,548
<b>Net cash (used in)/ from investing activities</b>	<b>(26,495)</b>	<b>1,222</b>
<b>Cash flows from financing activities</b>		
Payment for repurchase of shares of Value Creation Enterprises Limited ("Value Creation")	-	(12,248)
Dividends paid to then equity holders of Value Creation	(20,000)	(38,668)
Repayment of bank loans	-	(5,528)
Net proceeds from issuance of shares	97,331	-
<b>Net cash from/(used in) financing activities</b>	<b>77,331</b>	<b>(56,444)</b>
<b>Increase in cash and cash equivalents</b>	<b>99,939</b>	<b>14,489</b>
Cash and cash equivalents at beginning of the financial year	76,651	62,162
<b>Cash and cash equivalents at end of the financial year</b>	<b>176,590</b>	<b>76,651</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Group	Share capital	Share premium	Merger Reserve	Translation Reserve	Dividend Reserve	Retained Profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2005	130	12,650	-	(15)	12,667	41,607	67,039
Profit for the year	-	-	-	-	-	58,694	58,694
Repurchase of shares by Value Creation	(32)	(12,216)	-	-	-	-	(12,248)
Bonus issue to the then equity holders of Value Creation	32	(32)	-	-	-	-	-
Interim dividend paid to the then equity holders of Value Creation	-	-	-	-	-	(26,001)	(26,001)
Final dividend in respect of the previous year approved and paid by Value Creation to its then equity holders	-	-	-	-	(12,667)	-	(12,667)
At 31 March 2006	130	402	-	(15)	-	74,300	74,817
Profit for the year	-	-	-	-	-	74,215	74,215
Issuance of new ordinary shares pursuant to the Restructuring Exercise	27,000	-	-	-	-	-	27,000
Adjustment arising from the Restructuring Exercise	(130)	(402)	(26,468)	-	-	-	(27,000)
Transfer to reserves	-	-	26,468	-	-	(26,468)	-
Issuance of new ordinary shares pursuant to the public offer and placing	8,500	91,205	-	-	-	-	99,705
Share issue expenses	-	(5,614)	-	-	-	-	(5,614)
Interim dividend paid to the then equity holders of Value Creation	-	-	-	-	-	(20,000)	(20,000)
At 31 March 2007	35,500	85,591	-	(15)	-	102,047	223,123
<b>Company</b>	Share capital	Share premium	Contributed Surplus	Translation reserve	Dividend reserve	Accumulated loss	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At the date of incorporation, 18 August 2006	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	-	(5,663)	(5,663)
Issuance of new ordinary shares pursuant to the Restructuring Exercise	27,000	-	89,664	-	-	-	116,664
Issuance of new ordinary shares pursuant to the public offer and placing	8,500	91,205	-	-	-	-	99,705

Share issue expenses	-	(5,614)	-	-	-	(5,614)
At 31 March 2007	35,500	85,591	89,664	-	-	(5,663) 205,092

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Number of ordinary shares	Resultant issued share capital
		HK\$'000
At the date of incorporation, 18 August 2006, issue of nil-paid ordinary share of HK\$0.38 each	280,000	-
Consolidation of shares	(252,000)	-
Subdivision of shares	1,036,000	-
Credited as fully paid, ordinary shares of HK\$0.10 each	1,064,000	106
Issue of ordinary shares of HK\$0.10 each upon restructuring exercise	268,936,000	26,894
Issue of ordinary shares of HK\$0.10 each pursuant to the Invitation	85,000,000	8,500
At 31 March 2007, ordinary shares of HK\$0.10 each	355,000,000	35,500

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and methods of computation for the current reporting year as those used in preparing for the audited combined financial statements for the year ended 2006.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted all the new and revised International Financial Reporting Standards ("IFRSs") that are relevant to its operations and effective for accounting periods beginning on or after 1 April 2006. The adoption of these new and revised IFRSs did not result in substantial changes to the Group's accounting policies.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	FY2007	FY2006
	HK Cents	HK Cents
Earnings per ordinary share of the group, after deducting any provision for preference dividends:		
(a) Based on weighted average number of ordinary shares on issue; and	27.4	21.7
(b) On a fully diluted basis	N/A	N/A

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company of approximately HK\$74,215,000 (2006: HK\$58,694,000) by the weighted average number of ordinary shares in issue of 271,164,384 (2006: 270,000,000) during the financial year ended 31 March 2007.

No diluted earnings per share had been presented as the Group did not have any dilutive potential shares for the two financial years ended 31 March 2007 and 31 March 2006 respectively.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group		Company	
	At 31.3.2007	At 31.3.2006	At 31.3.2007	At 31.3.2006
	HK Cents	HK Cents	HK Cents	HK Cents
Net asset value per ordinary share based on issued share capital at the end of:	62.9	27.7	57.8	N/A

Net asset value per share as at 31 March 2007 was computed based on issued share capital of 355,000,000 (2006: 270,000,000) ordinary shares of HK\$0.1 each as at 31 March 2007.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**  
**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### Revenue

Revenue increased by 20.3% from HK\$601.9 million for the year ended 31 March 2006 to HK\$723.9 million for the year ended 31 March 2007. The increase in revenue was attributable to the increase in both OEM and ODM segments.

OEM revenue increased by 13.9% from HK\$459.7 million for the year ended 31 March 2006 to HK\$523.5 million for the year ended 31 March 2007. The increase was mainly due to increased demand from two of our major customers. .

ODM revenue also increased by 40.9% from HK\$142.2 million for the year ended 31 March 2006 to HK\$200.3 million for the year ended 31 March 2007. The increase was mainly due to increase in overall sales from one of our major customers and strong orders following the successful launch of a series of electronic products with a leading infant products brand.

### **Gross profit and gross profit margin**

Gross profit increased by 22.2% from HK\$119.9 million for the year ended 31 March 2006 to HK\$146.5 million for the year ended 31 March 2007. This was due to an overall increase in revenue in FY2007. Gross profit margin improved marginally from 19.9% to 20.2% mainly contributed by the OEM segment.

### **Other income**

Other income increased by 211.8% from HK\$3.0 million for the year ended 31 March 2006 to HK\$9.4 million for the year ended 31 March 2007. This was due to an increase in sundry income (mainly tooling) and interest income resulting from higher level of bank and cash balances.

### **Selling and distribution costs**

Selling and distribution costs increased by 38.5% from HK\$12.2 million for the year ended 31 March 2006 to HK\$16.9 million for the year ended 31 March 2007 due mainly to the increase in sales commission to sales representatives and staff cost paid to our sales and marketing team which was in line with the increase in revenue.

### **Administrative expenses**

Administrative expenses increased by 38.8% from HK\$45.0 million for the year ended 31 March 2006 to HK\$62.4 million for the year ended 31 March 2007. The increase was mainly due to higher remunerations for directors, executives and staff, provision of legal and professional fees as well as listing expense charged to the income statement.

### **Net other operating gain**

Net other operating gain increased by HK\$8.3 million from HK\$0.8 million for the year ended 31 March 2006 to HK\$9.1 million for the year ended 31 March 2007. This was due to reversal for inventories obsolescence.

### **Profit before tax**

As a result of the above, on a year-on-year basis, profit before income tax increased by 28.8% or from HK\$66.3 million for the year ended 31 March 2006 to HK\$85.4 million for the year ended 31 March 2007.

### **Income tax expense**

Income tax expenses increased by 47.3% from HK\$7.6 million for the year ended 31 March 2006 to HK\$11.2 million for the year ended 31 March 2007. The increase was mainly due to an under provision of Hong Kong profits tax amounted to HK\$1.1 million resulting from the revised of the Departmental Interpretation and Practice Notes by the Inland Revenue Department of Hong Kong which led to the cost of certain property, plant and equipment fully claimed by the Group as depreciation allowances in the years of acquisition were to deduct the assessable profits of the Group were not allowed. These property, plant and equipment would claim under the pooling system and lesser depreciation allowances were allowed to deduct for the assessable profits of the Group in the years of acquisition and such



allowances would deduct by reducing balance method subsequent to the years of acquisition. As a result, the under provision of Hong Kong profits tax was charged in the year ended 31 March 2007

## Financial position

The Group's prepaid land lease payments and land use rights amounted to HK\$18.2 million as at 31 March 2007. This represented HK\$3.6 million of prepaid land lease payments of warehouse and ancillary office in Hong Kong and HK\$14.6 million of land use rights of a piece of land in Daya Bay Economy and Technology Development District, Huizhou City, Guangdong Province, PRC ("the Daya Bay site").

The increase of HK\$13.9 million in property, plant and equipment was mainly due to purchase of warehouse and ancillary office in Hong Kong, purchase of plant and machinery for the plastic tool fabrication and metal machining section and construction-in-progress of new factory premises in the Daya Bay site.

The Group's long term receivable amounted to HK\$2 million as at 31 March 2007. This was interest-free, guaranteed by the legal representative of the vocational school and repayable deposit placed to a vocational training school managed by Bureau of Education of Taihu Xian, Anhui Province, PRC for provision of on-the-job training to selected students. This long term receivable will repayable since March 2009 by annual installment of HK\$500,000.

Available-for-sale financial assets held by the Group increased by HK\$7.8 million from HK\$3.8 million as at 31 March 2006 to HK\$11.6 as at 31 March 2007 due to placement of a principal protected deposit.

The Group's inventories increased by HK\$14.5 million from HK\$54.7 million as at 31 March 2006 to HK\$69.2 million as at 31 March 2007 mainly due to higher level of finished goods maintained on "vendor managed inventory" basis accordingly to customers' confirmed purchase order.

The Group's trade receivables increased by HK\$43.8 million from HK\$87.8 million to HK\$131.6 million, mainly attributable to the Group's increase in business activities as well as longer credit terms granted to some of our customers.

The Group's trade payables increased by HK\$21.7 million from HK\$98.9 million as at 31 March 2006 to HK\$120.6 million as at 31 March 2007 in line with the increase activities of the Group.

The increase of HK\$24.9 million in accruals, other payables and deposits received was mainly due to increase in provision for bonus to our directors, executives and staff, staff related cost, deposits received from customers as well as outstanding professional fees for our listing exercise.

## Cash Flow Statement

The Group's cash and cash equivalents stood at HK\$176.6 million as at 31 March 2007, an increase of HK\$99.9 million from the same period a year ago.

The net increase in cash inflow from operating activities and financing activities was partially off-set by outflow for higher investing activities for purchase of property, plant and equipment. Positive net cash generated from operating activities amounted to HK\$49.1 million whilst net cash generated from financing activities (including cash generated from issuance of new shares at IPO) amounted to HK\$77.3 million. These were partially off-set by net cash outflow from investing activities amounting to HK\$26.5 million mainly for the purchase of property, plant and equipment.

## 9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The operating landscape remains competitive and demanding. Raw material prices and labour conditions in China are still challenging.

The continuous improvement in design and manufacturing capabilities by the Group, coupled with the confidence placed on us by existing customers will yield creditable growth both in the OEM and ODM segments.

The Group will increase share in businesses from existing customers. New customers in the industrial and consumer sectors are being developed.

Barring unforeseen circumstances, the Group expects to remain profitable.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	HK 6.3 cents per ordinary share
Tax Rate	Not applicable

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

Dividend declared for the year ended 31 March 2006 represented interim dividend declared by a wholly-owned subsidiary, Value Creations Enterprises Limited, to its then shareholders prior to the Restructuring Exercise.

**(c) Date payable**

Subject to approval of the shareholders at the Annual General Meeting to be held on 27 July 2007, the proposed first & final dividend will be paid on 17 August 2007.

**(d) Books closure date**

Notice is hereby given that the Share Transfer Books and Register of Members of Valuetronics Holdings Limited (the "Company") will be closed on 7 August 2007 for the preparation of dividend warrants.

Duly completed instruments of transfers received by the Company's Share Transfer Agent in Singapore, B.A.C.S. Private Limited at 63 Cantonment Road, Singapore 089758 up to 5.00 p.m. on 6 August 2007 will be registered before shareholders' entitlements to the said dividend are determined.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares in the capital of the Company at 5.00 p.m. on 6 August 2007 will be entitled to the dividend.

**12. If no dividend has been declared/recommended, a statement to that effect.**

Not applicable

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

(a) Business segments

	FY2007 HK\$'000	FY2006 HK\$'000
Revenue		
ODM	200,343	142,201
OEM	523,524	459,689
	<u>723,867</u>	<u>601,890</u>
Segment results		
ODM	39,209	32,261
OEM	102,378	82,940
	<u>141,587</u>	<u>115,201</u>

(b) Geographical segments

Revenue of geographical segments of principal markets are analyzed by location of customers

	FY2007 HK\$'000	FY2006 HK\$'000
North and Central America	303,066	313,688
Greater China	338,666	245,198
Asia Pacific	9,320	13,085
Europe	72,815	29,919
	<u>723,867</u>	<u>601,890</u>

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to item 8 above.

**15. A breakdown of sales.**

	FY2007 HK\$'000	FY2006 HK\$'000	% increase/ (decrease)
	Group	Group	Group
(a) Sales reported for first half year	365,545	294,465	24.1%
(b) Operating profit/loss after tax before deducting minority interests reported for first half year	39,493	26,965	46.5%
(c) Sales reported for second half year	358,322	307,425	16.6%
(d) Operating profit/loss after tax before deducting minority interests reported for second half year	34,722	31,729	9.4%

Operating profit after tax before deducting minority interests reported for the second half year of FY2007 were affected by higher administrative expenses and income tax expenses.

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details)

	FY2007	FY2006
	HKD'000	HKD'000
<b>Ordinary</b>	22,365	N/A
<b>Preference</b>	N/A	N/A
<b>Total:</b>	22,365	N/A

**17. Interested Person Transactions (“IPTs”)**

Not applicable.

**18. Use of IPO Proceeds**

Upto 30<sup>th</sup> April 2007, the Group has utilized approximately S\$0.3 million for the first phase of construction of factory premises at Daya Bay site and S\$0.4 million to acquire machinery and equipment.

BY ORDER OF THE BOARD

TSE Chong Hing  
Chairman and Managing Director

22 May 2007

Note:

The initial public offering of the Company was managed by Provenance Capital Pte. Ltd. and co-managed by CIMB-GK Securities Pte. Ltd.