Midas Holdings Limited
Singapore Registration No. 200009758W

Midas Holdings Limited

麥達斯控股有限公司

(Incorporated in Singapore with limited liability)
Stock Code: 1021

GLOBAL OFFERING

Sole Global Coordinator and Sole Sponsor

CREDIT SUISSE

Joint Bookrunners

CREDIT SUISSE

J.P.Morgan

Joint Lead Managers

CREDIT SUISSE

J.P.Morgan

建银国际
CCB International

IMPORTANT: If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

Midas Holdings Limited
麥達斯控股有限公司

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GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	**220,000,000 Shares (subject to adjustment and the Over-allotment Option)**
Number of Hong Kong Offer Shares	:	**22,000,000 Shares (subject to adjustment)**
Number of International Placing Shares	:	**198,000,000 Shares (subject to adjustment and the Over-allotment Option)**
Maximum Offer Price	:	**HK$6.10 per Offer Share, plus brokerage of 1%, SFC transaction levy of 0.003%* and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	:	**Not applicable**
Stock code	:	**1021**

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Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the section headed "Documents Delivered to the Registrar of Companies and Available for Inspection" in Appendix VII to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Hong Kong Companies Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong, and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other document referred to above.

The Offer Price is expected to be fixed by agreement between the Joint Bookrunners (on behalf of the Underwriters) and us on the Price Determination Date, which is expected to be on or about 28 September 2010. The Offer Price will be not more than HK$6.10 and is currently expected to be not less than the Discounted SGX-ST Market Price. If, for any reason, the Offer Price is not agreed by 4 October 2010 between the Joint Bookrunners (on behalf of the Underwriters) and us, the Global Offering will not proceed and will lapse. Investors applying for Hong Kong Offer Shares must pay, on application, the maximum Offer Price stated in the Application Forms, together with brokerage of 1%, SFC transaction levy of 0.003%* and Stock Exchange trading fee of 0.005%.

The Joint Bookrunners (on behalf of the Underwriters) may, with our consent, reduce the number of Offer Shares being offered under the Global Offering below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offer. In such a case, an announcement will be published in the South China Morning Post (in English) and The Hong Kong Economic Times (in Chinese) not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offer. If applications for Hong Kong Offer Shares have been submitted prior to the day which is the last day for lodging applications under the Hong Kong Public Offer, then even if the number of Offer Shares is so reduced, such applications cannot be subsequently withdrawn. For further information, see the section headed "Structure of the Global Offering" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Joint Bookrunners of the Hong Kong Public Offer (on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8 a.m. on the day that trading in the Offer Shares commences on the Stock Exchange. Such grounds are set out in the section headed "Underwriting" in this prospectus.

The Offer Shares have not been and will not be registered under the US Securities Act or the securities laws of any other jurisdiction other than Hong Kong and may not be offered or sold, pledged or transferred within the United States except that the Offer Shares may be offered, sold or delivered to qualified institutional buyers, or QIBs, in reliance on Rule 144A or other applicable exemptions from the registration requirements under the US Securities Act and outside the United States in offshore transactions in reliance on Regulation S under the US Securities Act.

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore and the Shares are offered in Singapore pursuant to exemptions invoked under Section 274 and/or Section 275 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Shares may not be circulated or distributed, nor may the Shares be offered or sold, or made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the SFA, (b) to a relevant person, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

* The SFC transaction levy will be changed from 0.004% to 0.003% on 1 October 2010.

21 September 2010

Application lists open[2] . . . . 11:45 a.m. on Monday, 27 September 2010

Latest time to complete electronic applications under **White Form eIPO** service through the designated website **www.eipo.com.hk**[3] . . . . 11:30 a.m. on Monday, 27 September 2010

Latest time to lodge **WHITE** and **YELLOW** Application Forms and give **electronic application instructions** to HKSCC . . . . 12:00 noon on Monday, 27 September 2010

Latest time to complete payment of **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s). . . . . 12:00 noon on Monday, 27 September 2010

Application lists close. . . . . 12:00 noon on Monday, 27 September 2010

Expected Price Determination Date[4] and announcement of the Offer Price . . . . Tuesday, 28 September 2010

Announcement of the indication of levels of interest in the International Placing, levels of applications in the Hong Kong Public Offer and the basis of allotment of the Hong Kong Offer Shares to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese), our Company's website at http://www.midas.com.sg and the Stock Exchange's website at www.hkexnews.hk on or before. . . . . Tuesday, 5 October 2010

Results of allocations in the Hong Kong Public Offer (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels as described in the sections headed "How to Apply for Hong Kong Offer Shares – Publication of Results" of this prospectus from. . . . . Tuesday, 5 October 2010

Results of allocations in the Hong Kong Public Offer will be available at **www.iporesults.com.hk** with a "search by ID" function. . . . . Tuesday, 5 October 2010

Despatch of Share certificates in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offer on or before[5] . . . . Tuesday, 5 October 2010

Despatch of refund cheques in respect of wholly successful (if applicable) or wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offer on or before[4]. . . . . Tuesday, 5 October 2010

Despatch of White Form e-Refund payment instructions on or before[4] . . . . Tuesday, 5 October 2010

Dealings in Shares on the Stock Exchange expected to commence on . . . . Wednesday, 6 October 2010

Notes:

(1) All times and dates refer to Hong Kong local time and dates except where otherwise stated. Details of the structure of the Global Offering including its conditions, are set out in the section headed "Structure of the Global Offering" of this prospectus. Note that each of these times may be subject to change.

(2) If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on 27 September 2010, the application lists will not open on that day. Please refer to the section headed "How to Apply for Hong Kong Offer Shares" of this prospectus.

(3) You will not be permitted to submit your application through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m. on 27 September 2010, you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(4) The Price Determination Date is expected to be on or about 28 September 2010. If for any reason the Offer Price is not agreed on or before 4 October 2010, the Global Offering will not proceed.

(5) e-Refund payment instructions or refund cheques will be issued in respect of wholly and partially unsuccessful applications, and also in respect of successful applications in the event that the Offer Price as finally determined is less than the offer price per Offer Share initially paid on application. If you apply through the **White Form eIPO** service by paying the application monies through a single bank account, you may have e-Refund payment instructions (if any) despatched to your application payment bank account on 5 October 2010. If you apply through the **White Form eIPO** service by paying the application monies through multiple bank accounts, you may have refund cheque(s) sent to the address specified in your application instructions to the designated **White Form eIPO** Service Provider on 5 October 2010, by ordinary post and at your own risk. Part of your Hong Kong Identity Card number/Passport number, or, if you are joint applicants, part of the Hong Kong Identity Card number/Passport number of the first-named applicant, provided by you may be printed on your refund cheque, where appropriate. Such data would also be transferred to a third party for refund purpose. Your banker may require verification of your Hong Kong Identity Card number/Passport number before encashment of your refund cheque. Inaccurate completion of your Hong Kong Identity Card number/Passport number may lead to delay in encashment of or may invalidate your refund cheque.

If you have applied for 1,000,000 Hong Kong Offer Shares or more and have indicated in your Application Form that you wish to collect your Share certificate(s) (where applicable) and refund cheque(s) (where applicable) in person, you may collect your Share certificate(s) (where applicable) and your refund cheque(s) (where applicable) from our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on 5 October 2010 or any other day notified by us in the newspapers as the date of despatch of Share certificates/e-Refund payment instructions/refund cheques (as applicable). If you are an individual who opts for personal collection, you must not authorise any other person to make collection on your behalf. If you are a corporate applicant who opts for personal collection, you must attend by your authorised representative bearing a letter of authorisation from your corporation stamped with your corporation's chop. Both individuals and authorised representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to our Hong Kong Share Registrar. Share certificates and refund cheques which remain uncollected after the time specified for collection will be despatched by ordinary post at the applicant's own risk to the address specified in the relevant Application Form.

If you have applied for less than 1,000,000 Hong Kong Offer Shares or have applied for 1,000,000 Hong Kong Offer Shares or more but have not indicated in the Application Form that you wish to collect Share certificate(s) (where applicable) and/or refund cheques(s) (where applicable), your Share certificate(s) (where applicable) and/or refund cheque(s) (where applicable) will be sent to the address on the application by ordinary post and at your own risk on 5 October 2010, or any other date notified by us in the newspapers as the applicable date of despatch. For further information, please refer to the section headed "How to Apply for Hong Kong Offer Shares" of this prospectus.

Share certificates for the Offer Shares will only become valid certificates of title if the Global Offering becomes unconditional and neither of the Underwriting Agreements is terminated in accordance with its terms before 8:00 a.m. (Hong Kong time) on the Listing Date, which is expected to be 6 October 2010. No dealing should take place in the Offer Shares prior to commencement of dealing in the Shares on the Stock Exchange. Investors who trade Shares on the basis of publicly available allocation details prior to the receipt of Share certificates or prior to the Share certificates becoming valid certificates of title do so entirely at their own risk.

For details of the structure of the Global Offering, including the conditions thereof, please refer to the section headed "Structure of the Global Offering" of this prospectus.

IMPORTANT NOTE TO INVESTORS

We have issued this prospectus solely in connection with the Hong Kong Public Offer and the Hong Kong Offer Shares, and it does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offer. No person may use this prospectus for the purpose of, and it does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. We have taken no action to permit a public offering of the Offer Shares in any jurisdiction other than Hong Kong, and we have taken no action to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. We have not authorised anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorised by us, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of their respective directors, agents, employees or advisers, or any other person or party involved in the Global Offering.

CONTENTS

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are the leading manufacturer of aluminium alloy extrusion products for the passenger rail transportation sector in the PRC. In 2009, we commanded a 66% share of the PRC market for aluminium alloy extrusion products used in the production of high speed trains and metro train car bodies based on sales revenue, according to CBI China. We are engaged in a specialised industry with engineering expertise, often on a project-by-project basis. The PRC market for aluminium alloy extrusion products used in the production of high speed trains and metro train car bodies forms part of the PRC market for aluminium alloy extrusion products. We are one of the first and amongst the few in the aluminium alloy extrusion industry in the PRC to possess capabilities for the downstream fabrication of passenger train car bodies. We have an established track record of supplying aluminium alloy extrusion products to train manufacturers in the rapidly growing passenger rail transportation sector in the PRC since 2003. We also export aluminium alloy extrusion products internationally and have been involved in a considerable number of train projects in Europe and Asia. During the Track Record Period, our revenue was primarily derived from sales of aluminium alloy extrusion products for the passenger rail transportation sector in the PRC whereas contribution from international sales during the same periods was relatively insignificant. In recognition of our consistently high product quality, we have been awarded numerous important certifications and awards in the PRC and internationally.

Our customer base consists of all of the five domestic Licensed Train Manufacturers. In particular, we have been a long-term supplier to CNR Changchun, CNR Tangshan and CSR Zhuzhou from as early as 2003, and NPRT since 2007. Some of these customers belong to the same group of companies, such as CNR and CSR. CNR contributed 25.9%, 38.5%, 30.4% and 41.2% to our total revenue from continuing operations for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively, while CSR contributed 8.3%, 18.6%, 17.5% and 23.5% to our total revenue from continuing operations for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively. We also export our products to the top three global train manufacturers, namely, Alstom, Siemens and Bombardier although our international sales during the Track Record Period did not contribute a substantial proportion to our total revenue during the same periods. The aggregate revenue contribution from international sales made to the top three global train manufacturers (Alstom, Siemens and Bombardier) accounted for 4.5%, 3.6%, 4.5% and 2.3%, of our total revenue from continuing operations for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively. As far as we are aware, two of the three global train manufacturers, namely Bombardier and Alstom, have a presence in the PRC through joint ventures with PRC companies.

We have received numerous awards and accreditations from the PRC government and well-known organisations in the PRC and internationally, evidencing our superior quality standards and quality management systems. "Midas" was named "2007 China's Top Brand" by the General Administration of Quality Supervision, Inspection and Quarantine of the PRC, the only aluminium alloy extrusion manufacturer to be awarded under the relevant category. According to CBI China, as at 30 June 2010, we are one of the only two aluminium alloy extrusion products suppliers in the PRC in our business category to be awarded the IRIS certification, an internationally recognised certification for the evaluation of management systems in the rail transportation sector. We are also certified to supply to two of the top global train manufacturers, Alstom and Siemens, as well as to Changchun Bombardier. We believe that our ability to meet stringent international quality standards confers a significant competitive advantage in securing new contracts from our existing customers both in the PRC and internationally, and is a significant factor in contributing to the growth and profitability of our Aluminium Alloy Division.

We are one of only six companies and the only aluminium alloy extrusion products manufacturer in Asia to be included in the Forbes Asia's "*Best Under A Billion*" list for four consecutive years from 2006 to 2009 in recognition of our consistent growth and profitability. More recently, on 10 May 2010, we were awarded the Singapore Corporate Awards "Best Investor Relations Award (Gold)" for 2010 in the "$300 million to less than $1 billion market capitalisation" category. This is one of only five awards that make up the Singapore Corporate Awards, which was launched in 2006 and is organised by The Business Times and supported by the SGX-ST. This award is a testament of our continuous efforts in adhering to investor relations best practice.

We have been engaged in the production of aluminium alloy extrusion products since 2001 through our wholly-owned subsidiary, Jilin Midas. The Aluminium Alloy Division is our principal business division and accounted for 88.8%, 91.7%, 95.4% and 96.7% of our total revenue from continuing operations for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively. The majority of our revenue from our Aluminium Alloy Division during the Track Record Period was generated from sales of our aluminium alloy extrusion products to the passenger rail transport industry which accounted for 52.1%, 64.3%, 64.8% and 69.6% of the total revenue of our Aluminium Alloy Division for the three years ended 31 December 2007, 2008 and 2009, and the three months ended 31 March 2010, respectively, whereas revenue from sales of our products to other industries (including the power industry) comprised 47.9%, 35.7%, 35.2% and 30.4% of the total revenue of our Aluminium Alloy Division for the same periods respectively.

We manufacture large-section and high-precision aluminium alloy extrusion products which are used primarily in the body frames of high speed trains and metro trains. Our aluminium alloy extrusion products are also used in components for other end-products such as power distribution cables, industrial equipment, ships and freight wagons. Our aluminium alloy extrusion products are manufactured on a customised basis in accordance with our customers' specifications and quality standards. In addition to the production of aluminium alloy extrusion products, our Aluminium Alloy Division also provides downstream fabrication services, including welding, machining and bending of aluminium alloy extrusion parts, to process train car body components in accordance with our customers' specifications.

As at 30 June 2010, there are a total of eight market players supplying large-section aluminium extrusion products in the PRC passenger rail transport industry. No particular certification is required under PRC laws and regulation for the supply of aluminium extrusion products to the PRC passenger rail transport industry. Notwithstanding this, as mentioned above, we have been awarded the IRIS certification and are also certified to supply to Alstom, Siemens and Changchun Bombardier, which is testament to our superior quality standards and quality management systems. According to CBI China, the total market size of and our market share in, the PRC market for aluminium alloy extrusion products used in the PRC passenger rail transportation industry was RMB353.3 million, RMB453.7 million and RMB575.5 million, and 75%, 83% and 66%, respectively, for the three years ended 31 December 2007, 2008 and 2009. During the same period, our market shares in the PRC overall aluminium semis industry and aluminium extrusion product sector are insignificant (less than 1% based on estimates by CBI China), since our business focus is, and will continue to be, on the PRC passenger rail transport industry.

We use aluminium alloy billets as raw material in our manufacturing processes, which accounted for a significant portion of our cost of sales for our Aluminium Alloy Division during the Track Record Period. We are therefore vulnerable to fluctuations in the price of aluminium alloy billets. For an overview of the fluctuation in aluminium price, please refer to the section headed "Industry Overview – Aluminium Alloy Extrusion Market in the PRC Passenger Rail Transport Industry – Price of Aluminium Raw Material" in this prospectus for more detailed information. To mitigate our raw material price risks, we enter into fixed-price and "cost-plus" contracts with our customers, thus substantially locking in our gross profit under these contracts. Accordingly, our Company's business is engaged on a contract basis, including fixed-price contracts and cost-plus contracts.

As at 30 June 2010, the aggregate outstanding unrealised contract value for contracts entered into by our Aluminium Alloy Division was approximately RMB1.5 billion. We expect continued strong demand to stem from new high speed and metro train projects in the PRC. To meet the anticipated rapid growth in demand, we are in the process of significantly expanding our production capacity through investment in new production lines. As at 31 December 2009, we operated two aluminium alloy extrusion production lines with a total annual production capacity(1) of 20,000 tonnes. We expect to increase our annual aluminium alloy extrusion production capacity(1) to 50,000 tonnes by the end of 2010 with the addition of three new production lines. As at 31 December 2009, we operated one downstream fabrication line which is able to process train car body components for approximately 300 train cars per annum. We expect to increase our downstream fabrication production capacity(2) to be able to process train car body components for approximately 1,000 train cars by the end of 2010 with the addition of two new downstream fabrication lines. As at 31 March 2010, our capital commitment for the three additional extrusion production lines and two downstream fabrication lines was approximately S$50 million, which will be funded by a combination of the proceeds of the share placement of 120,000,000 Shares that our Company completed in July 2009, internal cash resources, existing bank facilities and, where necessary, additional bank borrowings.

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(1) Our aluminium alloy extrusion production capacity stated is based on the optimal level of production of each production line (as recommended by the respective manufacturers) when used to produce large aluminium alloy extrusion profiles for train car bodies. For more details on our extrusion production capacity, see the section headed "Business – Our Business Divisions – Aluminium Alloy Division – Production Facilities – Extrusion Production Line" in the prospectus.

(2) Our downstream fabrication line production capacity as stated is the current annual production capacity which is dependent on certain assumptions and factors, such as the specifications of machines being used in the production process. For more details on our fabrication production capacity, see the section headed "Business – Our Business Divisions – Aluminium Alloy Division – Production Facilities – Fabrication Production Line" in the prospectus.

We also have a strategic investment in NPRT, an associate company engaged in the development, manufacturing and sale of metro trains, bogies and their related parts, in which we hold a 32.5% stake as the second largest shareholder. We are currently represented by two directors, out of a total of seven directors, on the board of NPRT. NPRT is one of only four Licensed Metro Manufacturers which produces metro trains in the PRC. Currently, we are the only aluminium alloy extrusion product manufacturer that has a significant strategic investment in the limited few Licensed Train Manufacturers in China. We believe that our investment in NPRT enables us to tap directly into the fast growing metro train manufacturing market in the PRC, and is of strategic importance in facilitating our development into an integrated railway equipment components supplier. Our investment in NPRT contributed S$1.3 million, S$1.9 million, S$3.3 million and S$1.7 million to our profit before tax from continuing operations for the three years ended 31 December 2007, 2008, 2009, and the three months ended 31 March 2010, respectively.

In addition, we design, manufacture and install PE Pipes. We consider this a non-core business, and we currently have no plans for further expansion of this business division. Previously, we were also engaged in the trading of aluminium alloy plates and other metal products, but we ceased such trading activities in early 2009.

We are a public company incorporated in Singapore on 17 November 2000 (Registration No.: 200009758W). Our Company was listed on the SGX-ST SESDAQ on 23 February 2004 and transferred to the Main Board of the SGX-ST on 7 September 2006.

For the three years ended 31 December 2007, 2008, 2009 and the three months ended 31 March 2010, our revenue from continuing operations was approximately S$119.9 million, S$138.1 million, S$150.0 million and S$46.1 million, respectively. Our overall profit for the same periods (including both continuing and discontinued operations) was approximately S$31.9 million, S$32.7 million, S$37.5 million and S$9.9 million, respectively.

OUR STRENGTHS

- Leading market position in supplying aluminium alloy extrusion products for the passenger rail transportation sector in the PRC
- Established track record in supplying aluminium alloy extrusion products to the passenger rail transportation sector
- Consistent delivery of high quality products evidenced by our ability to meet stringent certification standards recognised by global train manufacturers
- Well established relationships with the leading domestic and international train manufacturers
- Experienced and visionary management team

OUR STRATEGIES

- Expand our aluminium alloy extrusion production capacity
- Develop into an integrated rail transport components supplier
- Expand presence in international markets

RISK FACTORS

Our Group believes that there are certain risks involved in our Group's operations, some of which are beyond our Group's control. These risks can be broadly categorised into: (i) risks relating to the secondary listing of our Group; (ii) risks relating to our business; (iii) risks relating to our industry; (iv) risks relating to doing business in the PRC; and (v) risks relating to our Shares and the Global Offering. The following is a list of the risk factors and a detailed discussion of the risk factors are set out in the section headed "Risk Factors" in this prospectus.

Risks Relating to the Secondary Listing of Our Group

- The stock markets of Singapore and Hong Kong have different characteristics and the historical prices of the Singapore Shares may not be indicative of the performance of the Hong Kong Shares after the listing of our Shares on the Stock Exchange

- Our Company may incur additional costs and require additional resources to comply with both the Listing Manual and the Listing Rules

- There may be limited liquidity in our Shares

- The waivers from strict compliance with certain requirements of the Listing Rules, Hong Kong Companies Ordinance, Hong Kong Takeovers Code and other rules and regulations granted by the Stock Exchange and the SFC could be revoked, hence exposing us and our Shareholders to additional legal and compliance obligations and costs

- Our Company may be determined by the Stock Exchange to be primary listed in Hong Kong if, among other things, the majority of trading takes place on the Stock Exchange, and in such event we may be subject to additional legal and compliance obligations and costs

Risks Relating to Our Business

- Our production capacity and facilities are key to our business and any prolonged or significant disruption to our production facilities may adversely affect our business, financial condition and results of operations

- We generate a significant portion of our revenue from a few key customers, some of which are ultimately owned by the same parent company, such as CNR and CSR, and the loss of one or more of these customers, any significant reduction of purchases by these customers or any default in payment by these customers may materially adversely affect our business, financial condition and results of operations

- Certain rights we grant to our key customers under our contracts may expose us to loss

- We operate in a competitive industry and may not be able to maintain our market share, which may adversely affect our business, profit margins, financial condition and results of operations

- If we fail to renew or extend our certifications, we may lose our competitive edge

- We rely on, and will continue to rely on, our Aluminium Alloy Division for substantially all of our revenue, and any material interruption or cessation of our Aluminium Alloy Division's business operations will adversely affect our business, financial condition and results of operations

- The continued growth and success of our business depends on our ability to retain our key management, skilled workforce and personnel and any failure to retain them or find suitable replacements may adversely affect our business, financial condition and results of operations
- We do not own a controlling stake in NPRT and the other shareholders may take actions that are not in, or may conflict with, our interests
- Our Aluminium Alloy Division requires a continuous and adequate supply of raw materials, which is subject to our suppliers' due performance of their contracts as well as price volatility
- We are subject to fluctuations in the price of aluminium alloy billets, which may cause our gross and net profit margins to fluctuate as a result of the contracts we enter into
- We rely on a few key suppliers for our raw materials and if any of these suppliers are unable to meet our requirements on a cost-effective and timely basis, and we are unable to find suitable replacements, our business may be materially disrupted
- The revenue from our Aluminium Alloy Division during the Track Record Period was largely generated from the sales of our aluminium alloy extrusion products to the passenger rail transport industry following our change of business focus and may not be indicative of our future results and growth prospects
- Our customers may reduce their demand for aluminium alloy extrusion products in favour of other alternative materials
- We may require additional financing in the future, which may not be available on favourable terms, or at all
- If we cannot manage our expansion and growth, or if the demand for our added production capacity or our train car body fabrication services does not grow as we expect or grows at a slower rate than we expect or decreases, or if we are not successful in enhancing our presence in international markets, our financial condition, results of operations and prospects may be adversely affected
- Certain of our Group's applications for trademark registrations in Hong Kong are pending approval
- We may face increased energy costs and/or insufficient energy supply
- We may have insufficient insurance coverage in respect of product liability claims and certain business risks
- We may be subject to foreign exchange risk

Risks Relating to Our Industry

- Any reduction or change in the level of the PRC government's spending on transportation infrastructure may materially and adversely affect our business
- The recent global economic slowdown and the slowness in recovery could materially and adversely affect our business, financial condition and results of operations
- We are subject to environmental, safety and health laws and regulations in the PRC, and any failure to comply with these rules and regulations or to control the associated costs could adversely affect our business
- Our business and operations could be severely disrupted by adverse weather conditions, natural disasters and the outbreak of health epidemics including Severe Acute Respiratory Syndrome ("SARS"), H1N1 and avian influenza

Risks Relating to Doing Business in the PRC

- Changes in political, social or economic policies in the PRC, or a slowdown in the PRC's economy, may have an adverse impact on our operations

- Our business and operations in the PRC are governed by the legal system of the PRC which has inherent uncertainties that could limit the legal protections available to our shareholders

- It may be difficult to effect service of process upon our Group, its Directors or executive officers who live in the PRC or to enforce against them in the PRC any judgements obtained from non-PRC courts

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

- The discontinuation of certain preferential tax treatment currently available to us may increase our tax liability and in turn decrease our net income, hence affecting our financial condition and results of operation

- We may be deemed a PRC resident enterprise under PRC tax laws and be subject to PRC taxation on our worldwide income

- Dividends payable by us to our foreign investors and gain on the sale of our Shares may become subject to withholding taxes under PRC tax laws

- Dividends payable by our PRC subsidiaries or associate company to us may not qualify to enjoy the preferential tax treatment under the Singapore-China Tax Treaty

- Future changes in laws, regulations or enforcement policies in the PRC could adversely affect our business

Risks Relating to Our Shares and the Global Offering

- The Offer Price may not be indicative of prices that will prevail in the trading market and you may not be able to resell our Shares at or above the price you paid, or at all

- The market price of our Shares may be volatile

- As the Offer Price of our Shares is higher than our net tangible asset value per Share, you will experience immediate and substantial dilution to your attributable net tangible asset value per Share

- Investors may face difficulties in protecting their interests because we are incorporated under the laws of Singapore, which may provide different remedies to minority shareholders when compared with the laws of Hong Kong and other jurisdictions

- If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding our Shares, the market price for our Shares and trading volume could decline

- Facts and statistics in this prospectus, including those relating to the Chinese economy and the industry in which we operate, may not be fully reliable

- Forward looking statements contained in this prospectus are subject to risks and uncertainties

RESULTS OF OPERATIONS

The following table summarises our Group's consolidated results for the three years ended and as at 31 December 2007, 2008 and 2009 and for the three months ended 31 March 2009 and 2010 and as at 31 March 2010, which are extracted from and have been prepared in accordance with the basis set forth in the Accountants' Report, the text of which is set forth in Appendix I to this prospectus:

Consolidated Statements of Income

	For the year ended 31 December			For the three months ended 31 March	
	2007	2008	2009	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000* *(unaudited)*	*S$'000*
Continuing operations					
Turnover	119,875	138,139	149,993	31,221	46,053
Cost of sales	(75,640)	(90,961)	(93,398)	(18,021)	(31,027)
Gross profit	44,235	47,178	56,595	13,200	15,026
Other operating income	2,069	3,334	1,898	120	181
Selling and distribution expenses	(2,962)	(3,786)	(4,709)	(712)	(1,232)
Administrative expenses	(7,608)	(8,216)	(9,808)	(1,998)	(3,346)
Finance costs	(1,937)	(2,590)	(809)	(606)	(205)
Share of result of an associate	1,256	1,915	3,314	(83)	1,661
Profit before income tax expense	35,053	37,835	46,481	9,921	12,085
Income tax expense	(3,331)	(7,223)	(9,222)	(1,894)	(2,147)
Profit for the year/period from continuing operations	31,722	30,612	37,259	8,027	9,938
Discontinued operations					
Profit for the year/period from discontinued operations	192	2,065	282	495	–
Profit for the year/period	31,914	32,677	37,541	8,522	9,938
Basic earnings per share (S cents)	3.78	3.87	4.18	1.01	1.03
From continuing operations	3.76	3.62	4.15	0.95	1.03
From discontinued operations	0.02	0.25	0.03	0.06	–
Diluted earnings per share (S cents)	3.73	3.86	4.18	1.01	1.03
From continuing operations	3.71	3.62	4.15	0.95	1.03
From discontinued operations	0.02	0.24	0.03	0.06	–

Consolidated Statements of Financial Position

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
Non-current assets				
Property, plant and equipment	70,467	111,854	194,605	220,401
Land use rights	2,902	2,999	18,285	18,137
Interest in an associate	30,989	31,917	33,414	35,075
Available-for-sale financial assets	–	–	411	410
Prepaid rental	28	28	26	26
Pledged bank deposits	5,005	2,090	14,048	11,860
	109,391	148,888	260,789	285,909
Current assets				
Inventories	19,590	15,665	17,706	21,969
Trade and other receivables	40,024	67,473	54,934	54,462
Tax recoverable	–	–	–	102
Cash and cash equivalents	51,666	32,406	101,223	94,519
	111,280	115,544	173,863	171,052
Current liabilities				
Trade and other payables	15,341	30,358	13,459	22,504
Bank borrowings	18,373	14,742	80,104	82,984
Dividends payable	4,226	2,111	2,411	2,411
Income tax payable	1,157	673	783	–
	39,097	47,884	96,757	107,899
Net current assets	72,183	67,660	77,106	63,153
Total assets less current liabilities	181,574	216,548	337,895	349,062
Non-current liabilities				
Bank borrowings	–	6,327	16,646	20,910
Deferred tax liability	–	419	415	415
	–	6,746	17,061	21,325
Net assets	181,574	209,802	320,834	327,737
Capital and reserves				
Share capital	131,014	131,237	220,696	220,696
Treasury shares	–	(518)	(518)	(518)
Foreign currency translation reserve	(6,365)	3,733	(3,428)	(4,110)
PRC statutory reserve	11,013	14,547	18,234	19,144
Share option reserve	1,996	2,525	3,062	3,120
Retained earnings	43,916	58,278	82,788	89,405
Total equity attributable to owners of the Company	181,574	209,802	320,834	327,737

UNAUDITED FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 30 JUNE 2010

The following tables summarise our Group's selected unaudited results for the three months ended 30 June 2009 and 2010 and as at 30 June 2010, which are extracted from and have been prepared in accordance with the basis set forth in the Unaudited Interim Condensed Financial Information, the text of which is set forth in Appendix IA to this prospectus. We have also included selected audited results of our Group as at 31 December 2009 for comparison purposes. Results for the three months ended 30 June 2010 may not be indicative of our full year results for the year ending 31 December 2010 or any future periods.

Selected Consolidated Statements of Comprehensive Income

	For the three months ended 30 June	
	2009	**2010**
	S$'000 ***(unaudited)***	***S$'000*** ***(unaudited)***
Continuing operations		
Turnover	37,795	47,563
Cost of sales	(22,191)	(32,171)
Gross profit	15,604	15,392
Share of profit of an associate	213	2,424
Profit before income tax expense	11,772	13,238
Income tax expense	(2,260)	(2,154)
Profit for the period from continuing operations	9,512	11,084
Results for the period from discontinued operations	(89)	–
Profit for the period	9,423	11,084

Selected Consolidated Statements of Financial Position

	As at 31 December	**As at 30 June**
	2009	**2010**
	S$'000	***S$'000*** ***(unaudited)***
Current assets		
Inventories	17,706	23,987
Trade and other receivables	54,934	75,312
Cash and cash equivalents	101,223	103,240
Total current assets	173,863	202,539
Current liabilities		
Trade and other payables	13,459	30,316
Bank borrowings	80,104	97,353
Dividends payable	2,411	2,411
Income tax payable	783	1,751
Total current liabilities	96,757	131,831
Net current assets	77,106	70,708

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$1,266.9 million after deducting the underwriting fees and expenses payable by us in the Global Offering, and assuming the Over-allotment Option is not exercised and an Offer Price of HK$6.10, being the maximum Offer Price stated in this prospectus. We intend to use these net proceeds for the following purposes:

- approximately 65% of the net proceeds from the Global Offering will be applied towards capital expenditure and potential acquisitions, of which, approximately 45% is intended to be allocated to the capital expenditure on plant and machinery to expand our Company's production capability of the aluminium alloy business, and approximately 20% on potential acquisitions in the aluminium alloy related industries. For the 45% allocated to capital expenditure, we intend to apply approximately 35% to expand our production capability by adding new extrusion production lines either through establishing new production centers outside our current production base in Jilin province or at our existing production base. As to the remaining approximately 10%, we intend to expand our fabrication capability to further realise our intent to develop our Company into an integrated rail transport components supplier of value-added, assembly-ready aluminium extrusion products[(1)]. Our production capacity expansion plan is expected to cater to the increasing market demand for aluminium alloy extrusion products in the PRC passenger rail industry which, according to CBI China, is projected to increase by 123.4%, 26.3% and 26.0% in 2010, 2011 and 2012, respectively. We believe that such demand will continue to rise in the next several years as the PRC government initiatives and policies for the PRC passenger rail transportation industry are expected to remain generally favorable. For the approximately 20% allocated to potential acquisitions, although we have no identifiable acquisition targets as at the Latest Practicable Date, we intend to seek opportunities in diversifying our portfolio or increase our market presence in desirable markets by establishing joint venture companies or acquiring suitable companies which are also engaged in the aluminium alloy related sectors;

- approximately 20% of net proceeds from the Global Offering will be applied towards repayment of bank loans; and

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(1) The Directors estimate that the 45% of the use of proceeds from the Global Offering allocated to capital expenditure, (of which 35% is allocated to expansion of aluminium alloy extrusion production and 10% is allocated to downstream fabrication production), would be applied in the increase of our aluminium alloy extrusion production capacity by approximately 20,000 tonnes and downstream fabrication line production capacity by approximately 300 train cars. This estimation is based on the assumption of the addition of two additional extrusion production lines and one fabrication production line. Please note that our aluminium alloy extrusion production capacity stated is based on the optimal level of production of each production line (as recommended by the respective manufacturers) when used to produce large aluminium alloy extrusion profiles for train car bodies. For more details on our extrusion production capacity, see the section headed "Business – Our Business Divisions – Aluminium Alloy Division – Production Facilities – Extrusion Production Line" in this prospectus. Our downstream fabrication line production capacity as stated is the current annual production capacity which is dependent on certain assumptions and factors, such as the specifications of machines being used in the production process. For more details on our fabrication production capacity, see the section headed "Business – Our Business Divisions – Aluminium Alloy Division – Production Facilities – Fabrication Production Line" in this prospectus.

- approximately 15% of net proceeds from the Global Offering will be applied towards corporate and general working capital purposes mainly to meet the operating cashflow requirements arising from our expanded production lines which will be operational by the end of 2010. We have recently expanded our extrusion and fabrication production capacity by adding three extrusion production lines and two downstream fabrication lines. As at 31 March 2010, the capital commitment for these additional production lines was approximately S$50 million, which will be funded by a combination of the proceeds of the share placement of 120,000,000 Shares that the Company completed in July 2009, internal cash resources, existing bank facilities and, where necessary, additional bank borrowings. In particular, one of the three recently acquired extrusion production lines has commenced operations in April 2010 and one other has commenced trial production in June 2010; and on the other hand, one of the two fabrication production lines has commenced operations in April 2010. As a result of such recently expanded production capacity, our Company will be in great need of corporate and general working capital. With the remaining of the recently acquired production lines all expected to be ready to commence operations by end of 2010, additional net proceeds are needed to apply towards corporate and general working capital mainly to meet the operating cashflow requirements arising from such expanded production capacity.

To the extent that the net proceeds are less than expected due to the fixing of the Offer Price at lower than the maximum, we will adjust our allocation of the net proceeds for the uses described above on a pro rata basis.

In the event that the Over-allotment Option is exercised in full, we estimate we would receive additional net proceeds of approximately HK$194.6 million, assuming an Offer Price of HK$6.10, being the maximum Offer Price stated in this prospectus. We intend to use the additional net proceeds for corporate and general working capital purposes.

To the extent our net proceeds are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations and bank financing. In either case, prior to the actual use of the proceeds, we intend that such proceeds will be placed in short-term demand deposits and/or money market instruments.

SECONDARY LISTING

Our primary listing is on the SGX-ST and we are seeking a secondary listing on the Stock Exchange. We believe that this secondary listing will provide our Company with additional capital for its future expansion and other business plans and provide our Company with an additional channel to raise capital and gain access to a wider range of institutional and retail investors. Additionally, we believe that it will expand and diversify our Company's investor base as additional institutional investors and local retail investors in Hong Kong can own equity of the Company. Furthermore, it should enhance our Company's profile in the PRC and Hong Kong and thereby benefit our Company's long-term growth and development as our operations are principally located in the PRC.

Our Company may be determined by the Stock Exchange to be primary listed in Hong Kong if, among other things, the majority of trading takes place on the Stock Exchange. In such an event, the waivers from strict compliance granted to our Company on the basis of a secondary listing will be revoked and we will be required to comply with the relevant provisions of the Listing Rules and will not benefit from the exemptions which we were previously granted. Moreover, we may be subject to additional legal and compliance obligations and costs in such event. For details, please refer to the section headed "Risk Factors" in this prospectus.

We have applied for, and have been granted, waivers from certain requirements from the Stock Exchange and/or the SFC. As a result, Shareholders will not have the benefit of those Hong Kong laws, rules and regulations that are waived. In addition, such waivers could be revoked, hence exposing the Company and its Shareholders to additional legal and compliance obligations. For more details of the relevant waivers, please see the section headed "Waivers" in the prospectus.

There are certain residual differences between the shareholder protection regimes in Singapore and Hong Kong. For instance, under Section 113 of the Hong Kong Companies Ordinance, a member with at least 5% shareholding may require the directors of a Hong Kong company to convene an extraordinary general meeting. However, under Section 176 of the Singapore Companies Act, a meeting of a Singapore company may only be called by two or more members holding not less than 10% of the total number of issued shares of the Singapore company (excluding treasury shares, if applicable). In addition, under Section 115A of the Hong Kong Companies Ordinance, members with an aggregate shareholding of 2.5% in a company or a minimum of 50 members can require a company to circulate a notice of any resolution or circulate a statement to other members of the company. However, under Section 183 of the Singapore Companies Act, members representing not less than 5% of the total voting rights of all members or not less than 100 members holding shares in the company among whom the average sum paid up per member is not less than S$500 may require the company to circulate any resolution or statement. Our Company's Articles of Association reflect the requirements and compliance with the Singapore Companies Act in these matters, thus the Hong Kong Shareholders should be aware that the threshold in respect of the minimum shareholding or the minimum number of Shareholders for Shareholders to require our Company to conduct such matters under the Singapore Companies Act and our Company's Articles of Association is higher than that stipulated under the Hong Kong Companies Ordinance. Hence, Hong Kong Shareholders will not benefit from the more favourable equivalent minority shareholder provisions accorded under Hong Kong law. For further details, please see "Appendix V-A – Summary of the Constitution of our Company and the Salient Provisions of the Laws of Singapore".

We have obtained in-principle approval from the SGX-ST for the listing of the Offer Shares on the SGX-ST to be issued pursuant to the secondary listing on the Stock Exchange and the Global Offering to be held in conjunction therewith, subject to certain conditions being fulfilled, including the approval of Shareholders being obtained in a general meeting for the Global Offering and the proposed issuance of the Offer Shares. Please refer to the section headed "Business – Secondary Listing" of this prospectus for more details on the conditions attached to the in-principle approval from the SGX-ST. On 30 April 2010, we obtained the approval of Shareholders for, among others, the issue of the Offer Shares.

For the three years ended 31 December 2007, 2008 and 2009 and the six months ended 30 June 2010, the average daily traded volume of our Shares on the SGX-ST was 6,032,608, 4,283,250, 15,407,359, and 11,531,661 Shares, respectively, and the average daily traded value was S$9,368,929, S$2,721,164, S$11,142,474 and S$11,754,305, respectively, during the same periods. Measures have been put in place to allow Shareholders to transfer between the Hong Kong and Singapore Share registers immediately following completion of the Global Offering. Such measures are described in detail in the section headed "Listing, Registration, Dealings and Settlement" in this prospectus.

DIVIDEND POLICY

Our Directors may declare dividends after taking into account, among other things, our results of operations, cash flows and financial condition, operating and capital requirements, the amount of distributable profits based on IFRS, our Memorandum and Articles of Association, the Singapore Companies Act, applicable laws and regulations and other factors that our Directors deem relevant. Final dividends paid by us must be approved by an ordinary resolution of our Shareholders at a general meeting and must not exceed the amount recommended by our Directors. Our Directors may, without the approval of our Shareholders, also declare an interim dividend.

Future dividend payments will also depend upon the availability of dividends received from our operating subsidiaries in the PRC. PRC laws require that dividends be paid only out of the net profit calculated according to PRC accounting principles, which differ in certain aspects from IFRSs. PRC laws also require a WFOE to transfer at least 10% of its net profit (after tax and offsetting prior years' losses) to a statutory reserve until the reserve balance reaches 50% of the registered capital under the Implementation Rules on the PRC Law on WFOEs. The transfer to its reserve must be made before distribution of dividends to its equity holders. Distributions from our PRC operating subsidiary may also be restricted if it incurs losses or in accordance with any restrictive covenants in bank credit facilities, convertible bond instrument or other agreements that we or our PRC operating subsidiary may enter into in the future.

For information relating to taxes payable on dividends, please refer to the sections entitled "Risk Factors – Risks Relating to Doing Business in the PRC – Dividends payable by us to our foreign investors and gain on the sale of our Shares may become subject to withholding taxes under PRC tax laws," and "Dividends payable by our subsidiaries or associate company to us may not qualify to enjoy the preferential tax treatment under the Singapore-China Tax Treaty" of this prospectus.

We declared dividends of S$16.9 million, S$12.7 million and S$9.6 million for the years ended 31 December 2007, 2008 and 2009, respectively. We also declared dividends of S$2.4 million for the three months ended 31 March 2010. All of these dividends have been paid. On 13 August 2010, we declared second interim 2010 dividends of S$0.0025 per Share which will be paid to shareholders on a record date to be announced. These dividend payments are not indicative of our future dividend policy.

GLOBAL OFFERING STATISTICS[1]

	Based on Maximum Offer Price of HK$6.10
Market capitalisation of our Shares[2]	HK$7,224.6 million
Unaudited pro forma adjusted net tangible asset value per Share[3]	HK$2.67

Notes:

(1) All statistics in this table are on the assumption that the Over-allotment Option and all outstanding Options are not exercised.

(2) The calculation of market capitalisation is based on 1,184,367,800 Shares expected to be in issue immediately after completion of the Global Offering, assuming the Over-allotment Option is not exercised and without taking into account any Shares which may be issued on the exercise of any options which may be granted pursuant to the ESOS.

(3) The unaudited pro forma adjusted net tangible asset value per Share is based on 1,184,367,800 Shares expected to be in issue immediately after completion of the Global Offering.

If the Over-allotment Option is exercised in full, assuming an Offer Price of HK$6.10, the unaudited pro forma adjusted net tangible asset value will be HK$2.79 per Share.

We had no share split, share consolidation or bonus issue during the Track Record Period and up to the Latest Practicable Date. For details on the changes in our share capital, please refer to the paragraph headed "Changes in Share Capital" in the section "Further Information about our Group" in Appendix VI to this prospectus.

In this prospectus, the following expressions shall have the meanings set out below unless the context otherwise requires.

"Affiliate"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"Alstom"	Alstom Transport, a global leading company, headquartered in France, specialising in the development of systems, equipment and services in the railway sector
"Aluminium Alloy Division"	the aluminium alloy division of our Group, which is our principal business division, the business of which is conducted through our wholly-owned subsidiary, Jilin Midas
"Application Form(s)"	**WHITE** application form(s), **YELLOW** application form(s) and **GREEN** application form(s) or where the context so requires, any of them
"Articles of Association"	the articles of association of our Company, adopted on 15 November 2000, amended on 30 April 2010 and as amended from time to time
"Board"	the board of Directors
"Bombardier"	Bombardier Inc., a global leading transportation company headquartered in Montreal, Canada
"BST"	青島四方龐巴迪鐵路運輸設備有限公司 (Bombadier Sifang (Qingdao) Transportation Ltd*), a company incorporated in the PRC in November 1998
"Business Day"	a day that is not a Saturday, Sunday or public holiday in Hong Kong and in Singapore
"CBI China"	CBI (China) Co. Ltd., a leading PRC domestic consulting and research firm, which we have commissioned to prepare the industry report on China aluminium extrusion products
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Clearing Participant"	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant

"CCASS Custodian Participant"	a person admitted to participate in CCASS as a custodian participant
"CCASS Investor Participant"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
"CCASS Participant"	a CCASS Clearing Participant or a CCASS Custodian Participant or a CCASS Investor Participant
"CCBI"	CCB International Capital Limited
"CCCR"	China Certification Center, Inc.
"CCQS"	Beijing 9000 Certification Centre for Quality System
"CDP"	The Central Depository (Pte) Limited
"Changchun Bombardier"	長春長客龐巴迪軌道車輛有限公司 (Changchun Bombardier Railway Vehicles Co., Ltd.*), a joint venture established by Bombardier and CNR Changchun, incorporated in the PRC on 19 March 1997
"CNR"	中國北車股份有限公司 (China CNR Corporation Limited*), a company established in the PRC on 26 June 2008
"CNR Changchun"	長春軌道客車股份有限公司 (CNR Changchun Railway Vehicle Co., Ltd*), a company incorporated in the PRC in March 2002
"CNR Dalian"	中國北車大連機車車輛有限公司 (CNR Dalian Locomotive Co., Ltd*), a company incorporated in the PRC on 1 January 2004
"CNR Tangshan"	唐山軌道客車有限責任公司 (CNR Tangshan Railway Vehicle Co., Ltd*), a company incorporated in the PRC on 10 July 2007
The "Company", "our Company", "we" or "us"	Midas Holdings Limited, a limited liability company incorporated under the laws of Singapore on 17 November 2000 and, except where the context indicates otherwise, includes any of the businesses and operations that is or was carried out by any member of our Group
"Credit Suisse"	Credit Suisse (Hong Kong) Limited

"CSR"	中國南車股份有限公司 (China South Locomotive & Rolling Stock Corporation Limited*), a company established in the PRC on 28 December 2007
"CSR Nanjing Puzhen"	南車南京浦鎮車輛有限公司 (CSR Nanjing Puzhen Rolling Stock Co. Ltd.*), a company incorporated in the PRC on 27 June 2007
"CSR Sifang"	南車四方機車車輛股份有限公司 (CSR Sifang Vehicle Co., Ltd.*), a company incorporated in the PRC on 22 July 2002
"CSR Zhuzhou"	南車株洲電力機車有限公司 CSR Zhuzhou Electric Locomotive Co., Ltd.*, a company incorporated in the PRC on 31 August 2005, formerly Zhuzhou Electric Locomotive Company*
"Director(s)"	director(s) of our Company
"Discounted SGX-ST Market Price"	the Hong Kong dollar equivalent of a price representing a discount of not more than 10% to the SGX-ST Market Price
"ESOS"	the Midas Employee Share Option Scheme, which was adopted on 6 January 2004 and amended on 28 April 2006
"GDP"	gross domestic product
"Global Offering"	the Hong Kong Public Offer and the International Placing
"Green application form(s)"	the application form(s) to be completed by the White Form eIPO Service Provider, Computershare Hong Kong Investor Services Limited
"Green Oasis"	Green Oasis Pte Ltd., a company incorporated in Singapore on 23 June 2000 and a wholly owned subsidiary of our Company
"Group"	our Company and its subsidiaries, or where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, such subsidiaries as if they were the subsidiaries of our Company at the time
"HKAS"	Hong Kong Accounting Standards and Interpretations

"HKFRS"	Hong Kong Financial Reporting Standards promulgated by the Hong Kong Institute of Certified Public Accountants, which includes HKAS
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Hong Kong Companies Ordinance"	the Hong Kong Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Hong Kong dollars" or "HK dollars" or "HK$" and "cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong Offer Shares"	the 22,000,000 new Shares (subject to adjustment as described in the section headed "Structure of the Global Offering") being offered by us for subscription pursuant to the Hong Kong Public Offer
"Hong Kong Public Offer"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited
"Hong Kong Takeovers Code"	the Hong Kong Codes on Takeovers and Mergers and Share Repurchases, as amended, supplemented or otherwise modified form time to time
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offer whose names are set out in the section headed "Underwriting – Hong Kong Underwriters
"Hong Kong Underwriting Agreement"	the underwriting agreement dated 20 September 2010 relating to the Hong Kong Public Offer entered into between us, Mr. Chen Wei Ping, Mr. Chew Hwa Kwang, Patrick, Credit Suisse, J.P. Morgan Asia Pacific, CCBI and the Hong Kong Underwriters
"IFRS"	International Financial Reporting Standards

"Independent Third Party/Parties"	person(s) or company/companies which is (are) not a connected person(s) (as defined in the Listing Rules) of our Company
"International Placing"	the placing of the International Placing Shares to institutional, professional and other investors
"International Placing Shares"	the 198,000,000 new Shares (subject to adjustment as described in the section headed "Structure of the Global Offering") being offered by us for subscription pursuant to the International Placing together, where relevant, with any additional Shares to be issued pursuant to the exercise of the Over-allotment Option
"International Underwriters"	the international purchasers of the International Placing
"International Underwriting Agreement"	the international purchase agreement relating to the International Placing to be entered into among us, Mr. Chen Wei Ping, Mr. Chew Hwa Kwang, Patrick, the International Underwriters and the Joint Lead Managers of the International Placing on or around 28 September 2010
"IRIS"	International Railway Industry Standard
"Jilin Midas"	吉林麥達斯鋁業有限公司 (Jilin Midas Aluminium Industries Co., Ltd*), a limited liability company incorporated in the PRC on 12 April 2001 and a wholly owned subsidiary of NE Industries
"Joint Bookrunners"	(i) Credit Suisse; and (ii) J.P. Morgan (for the International Placing) or J.P. Morgan Asia Pacific (for the Hong Kong Public Offer)
"Joint Lead Managers"	(i) Credit Suisse, (ii) J.P. Morgan (for the International Placing) or J.P. Morgan Asia Pacific (for the Hong Kong Public Offer); and (iii) CCBI
"J.P. Morgan"	J.P. Morgan Securities Ltd.
"J.P. Morgan Asia Pacific"	J.P. Morgan Securities (Asia Pacific) Limited
"Latest Practicable Date"	15 September 2010, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained in this prospectus

"Licensed High Speed Manufacturers"	the manufacturers that are licensed by MOR for public bidding of national high speed train projects in the PRC, which currently are CSR Sifang, CNR Changchun and CNR Tangshan
"Licensed Metro Manufacturers"	the manufacturers that are licensed by NDRC for public bidding of national metro train projects in the PRC, which currently are CSR Zhuzhou, NPRT, CSR Sifang and CNR Changchun
"Licensed Train Manufacturers"	the Licensed Metro Manufacturers and the Licensed High Speed Manufacturers
"Listing Committee"	the listing sub-committee of the board of directors of the Stock Exchange
"Listing Date"	the date, expected to be on 6 October 2010, on which dealings in the Shares first commence on the Stock Exchange
"Listing Manual"	listing rules of the SGX-ST, as amended supplemented or otherwise modified from time to time, which set out the requirements applicable to issuers relating to, *inter alia*: (i) the manner in which securities are to be offered on the SGX-ST, and (ii) the continuing obligations of issuers
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Memorandum of Association"	the memorandum of association of our Company adopted on 15 November 2000 and as amended from time to time
"Midas Beijing"	麥達斯貿易(北京)有限公司 (Midas Trading (Beijing) Co., Ltd*), a limited liability company incorporated in the PRC on 24 November 2005 and a wholly-owned subsidiary of our Company
"Midas Ventures"	Midas Ventures Pte. Ltd., a company incorporated in Singapore on 3 June 2004 and a wholly-owned subsidiary of our Company
"MOR"	Ministry of Railways of the PRC
"NDRC"	the National Development and Reform Commission of the PRC (國家發展和改革委員會)

"NE Industries"	North East Industries Pte Ltd, a company incorporated in Singapore on 23 June 2000 and a wholly-owned subsidiary of our Company
"NPRT"	南京南車浦鎮城軌車輛有限責任公司 (Nanjing SR Puzhen Rail Transport Co., Ltd*), a sino-foreign joint venture incorporated in the PRC and our associated company in which we own 32.5% of the equity interest and with the balance of its equity interest held by Independent Third Parties
"Offer Price"	the final Hong Kong dollar price per Share (exclusive of brokerage fee, Stock Exchange trading fee and SFC transaction levy) at which the Offer Shares are to be subscribed pursuant to the Hong Kong Public Offer to be determined as described in the section headed "Structure of the Global Offering"
"Offer Shares"	the Hong Kong Offer Shares and the International Placing Shares together, where relevant, with any additional Shares issued pursuant to the exercise of the Over-allotment Option
"Options"	the options granted or which may be granted pursuant to the ESOS
"Option Shares"	the new Shares which may be allotted and issued upon the exercise of Options
"Over-allotment Option"	the option expected to be granted by us to the Sole Global Coordinator exercisable under the International Underwriting Agreement pursuant to which we may be required by the Sole Global Coordinator to issue up to an aggregate of 33,000,000 additional Shares, representing in aggregate approximately 15.0% of the initial number of Offer Shares, at the Offer Price, to, among other things, cover over-allocations in the International Placing, if any
"PRC" or "China"	People's Republic of China and "Chinese" shall be construed accordingly; except where the context requires, references in this prospectus to the PRC or China do not apply to Hong Kong, the Macau Special Administrative Region of the PRC or Taiwan
"PRC EIT Law"	PRC Enterprise Income Tax Law
"Price Determination Date"	the date, expected to be on 28 September 2010, on which the Offer Price is fixed for the purposes of the Global Offering

"Qualified Institutional Buyers" or "QIBs"	qualified institutional buyers within the meaning of Rule 144A under the US Securities Act
"Regulation S"	Regulation S under the US Securities Act
"RMB" or "Renminbi"	the lawful currency of the PRC
"Rule 144A"	Rule 144A under US Securities Act
"$" or "S$" and "S cents"	Singapore dollars and cents respectively, the lawful currency of Singapore
"SAFE"	the PRC State Administration of Foreign Exchange (中華人民共和國國家外匯管理局)
"SATCO"	上海阿爾斯通交通設備有限公司 (Shanghai Alstom Transport Co., Ltd*), a joint-venture company incorporated on 18 January 1999
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SGX-ST"	Singapore Exchange Securities Trading Limited
"SGX-ST Market Price"	refers to either (i) the weighted average price for trades of the Shares done on the SGX-ST for the full market day on which the Offer Price is determined; or (ii) the closing price for trades of the Shares done on the SGX-ST for the full market day on which the Offer Price is determined, as may be determined between the Company and the Underwriters. If trading in the Shares is not available for a full market day as at the time the Offer Price is determined, or if the Offer Price is determined before trading on the SGX-ST commences, the SGX-ST Market Price shall be based on either (i) the weighted average price for trades in Shares executed on the market day immediately preceding the date on which the Shares were traded on the SGX-ST up to the time the Offer Price is determined; or (ii) the closing price of the Shares on the market day immediately preceding the date the Offer Price is determined, as the case may be
"SGX-ST SESDAQ"	SGX-ST Dealing and Automated Quotation System

"Share(s)"	ordinary share(s) in the Share capital of our Company
"Shareholder(s)"	holder(s) of the Share(s)
"Siemens"	Siemens AG, a global leading integrated technology company, headquartered in Germany, specialising in developing and manufacturing products for the industry, energy and healthcare sectors
"Singapore-China Tax Treaty"	the Treaty between Singapore and the PRC for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (中華人民共和國政府和新加坡共和國政府關於對所得避免雙重徵稅和防止偷漏稅的規定) executed on 11 July 2007
"Singapore Companies Act"	The Companies Act, Chapter 50 of Singapore as amended, supplemented or otherwise modified from time to time
"Singapore Principal Registrar"	Intertrust Singapore Corporate Services Pte. Ltd.
"Singapore Takeovers Code"	Singapore Code on Takeovers and Mergers, as amended, supplemented or otherwise modified from time to time
"Sole Global Coordinator" and "Sole Sponsor"	Credit Suisse
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Track Record Period"	the period comprising the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010
"UKAS"	United Kingdom Accreditation Service
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"United States" or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"United States dollars" or "US dollars" or "US$"	United States dollars, the lawful currency of the United States

"Wanshida"	山西萬士達工程塑料有限公司 (Shanxi Wanshida Engineering Plastics Co., Ltd*), a limited liability company incorporated in the PRC on 4 February 1999 and converted to a WFOE on 11 April 2002, and a wholly owned subsidiary of Green Oasis
"WFOE"	wholly foreign owned enterprise
"White Form eIPO"	applying for Hong Kong Offer Shares to be issued in your own name by submitting applications online through the designated website of the White Form eIPO Service Provider, **www.eipo.com.hk**
"White Form eIPO Service Provider"	Computershare Hong Kong Investor Services Limited
"%"	per cent.

In this prospectus:

Unless otherwise specified, amounts denominated in Renminbi, US dollars and Singapore dollars have been converted, for the purpose of illustration only, into Hong Kong dollars in this prospectus at the following rates:

HK$1.0	:	RMB0.88
HK$7.77	:	US$1.0
HK$5.78	:	S$1.0
RMB5.06	:	S$1.0

No representation is made that any amounts in Renminbi, US dollars, Singapore dollars or Hong Kong dollars can be or could have been at the relevant dates converted at the above rates or any other rates or at all.

- the terms "associate", "connected person", "subsidiary" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

- unless otherwise stated, all the numerical figures are rounded to one decimal place. Any discrepancies in any table between totals and sums of amounts listed therein or in calculations between figures are due to rounding.

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* denotes English translation of the name of a Chinese company or entity or vice versa and is provided for identification purposes only.

This glossary contains definitions of certain terms used in this prospectus in connection with our Group and our business. Some of these may not correspond to standard industry definitions.

"billets"	Aluminium alloy in the form of solid cylinders or rectangular-shaped which is used as a raw material in producing aluminium alloy products by way of extrusion
"CNC"	Computer numerical control
"Gas PE Pipe"	PE Pipes that are used to transport gas
"MN"	Mega Newton, which is a unit of force
"MRT"	Mass rapid transit
"PE"	Polyethylene
"PE Pipes"	Pipes made of high density polyethylene
"Water PE Pipe"	PE Pipes that are used to transport water

An investment in our Shares involves a high degree of risk. You should carefully consider the following information about risks, together with the other information contained in this prospectus, including our consolidated financial statements and related notes, before you decide to buy our Shares. If any of the circumstances or events described below actually arise or occur, our business, financial condition, results of operations, and prospects may suffer. In any such case, the market price of our Shares could decline, and you may lose all or part of your investment. This prospectus also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risks described below and elsewhere in this prospectus.

Our Group believes that there are certain risks involved in our Group's operations, some of which are beyond our Group's control. These risks can be broadly categorised into: (i) risks relating to the secondary listing of our Group; (ii) risks relating to our business; (iii) risks relating to our industry; (iv) risks relating to doing business in the PRC; and (v) risks relating to our Shares and the Global Offering. Prospective investors of the Offer Shares should consider carefully all the information set forth in this prospectus and, in particular, this section in connection with an investment in our Group.

RISKS RELATING TO THE SECONDARY LISTING OF OUR GROUP

The stock markets of Singapore and Hong Kong have different characteristics and the historical prices of the Singapore Shares may not be indicative of the performance of the Hong Kong Shares after the listing of our Shares on the Stock Exchange

Our Shares have been listed and have traded on the SGX-ST since 23 February 2004. It is our Group's current intention that, following completion of the Global Offering, the Shares in the CDP (the "Singapore Shares") will continue to be traded on the SGX-ST, and that the Shares subject to the Global Offering to be registered on the Hong Kong Share Register (the "Hong Kong Shares") will be traded on the Stock Exchange. As there is no direct trading or settlement between the stock markets of Singapore and Hong Kong, the time required to shunt shares between the CDP and Hong Kong Share Register may vary and there is no certainty as to when shunted shares will be available for trading or settlement.

There are certain residual differences between the shareholder protection regimes in Singapore and Hong Kong. Under Section 113 of the Hong Kong Companies Ordinance, a member with at least 5% shareholding may require the directors of a Hong Kong company to convene an extraordinary general meeting. However, under Section 176 of the Singapore Companies Act, a meeting of a Singapore company may only be called by two or more members holding not less than 10% of the total number of issued shares of the Singapore company (excluding treasury shares, if applicable). In addition, under Section 115A of the Hong Kong Companies Ordinance, members with an aggregate shareholding of 2.5% in a company or a minimum of 50 members can require a company to circulate a notice of any resolution or circulate a statement to other members of the company. However, under Section 183 of the Singapore Companies Act, members representing not less than 5% of the total voting rights of all members or not less than 100 members holding shares in the company among whom the average sum paid up per member is not less than S$500 may require the company to circulate any resolution or statement. Our Company's Articles of

Association reflect the requirements and compliance with the Singapore Companies Act in these matters, hence Hong Kong Shareholders will not benefit from the more favourable equivalent minority shareholder provisions accorded under Hong Kong law. For further details, please see "Appendix V-A – Summary of the Constitution of our Company and the Salient Provisions of the Laws of Singapore".

In addition, the SGX-ST and Stock Exchange have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading price of the Singapore Shares and the Hong Kong Shares may not be the same. Furthermore, fluctuations in the Singapore Share price could materially and adversely affect the Hong Kong Share price, and vice versa. Moreover, fluctuations in the exchange rate between the S$ and the HK$ could materially and adversely affect the prices of Singapore Shares and Hong Kong Shares. Generally it takes 15 Business Days to complete the procedure to transfer Shares from the SGX-ST to the Stock Exchange (and vice versa), and investors may incur fees including removal fees, re-registration fees and share certificate issuance fees. For more information, please see the section headed "Listings, Registration, Dealings and Settlement" of this prospectus. Due to the different characteristics of the stock markets of Singapore and Hong Kong, the historical prices of the Singapore Shares may not be indicative of the performance of the Hong Kong Shares after the listing of our Shares on the Stock Exchange. Investors should therefore not place undue reliance on the prior trading history of the Singapore Shares when evaluating an investment in the Global Offering.

Our Company may incur additional costs and require additional resources to comply with both the Listing Manual and the Listing Rules

Being a listed company on the SGX-ST, our Company is required to comply with the Listing Manual. Upon the listing of our Shares on the Stock Exchange, our Company will also be required to comply with the Listing Rules unless an exemption is available or a waiver has been obtained. Accordingly, our Company may incur additional costs and require additional resources to comply with both sets of rules.

There may be limited liquidity in our Shares

Our Shares will be listed and traded on both the SGX-ST and the Stock Exchange following completion of the Global Offering. There may be limited liquidity in the Hong Kong Shares following completion of the Global Offering. As a result, investors may not be able to purchase Shares or liquidate their position quickly or at prices attractive to them.

The waivers from strict compliance with certain requirements of the Listing Rules, Hong Kong Companies Ordinance, Hong Kong Takeovers Code and other rules and regulations granted by the Stock Exchange and the SFC could be revoked, hence exposing us and our Shareholders to additional legal and compliance obligations and costs

Our Company, whose primary listing is on the SGX-ST, has applied for, and the Stock Exchange and the SFC have granted, a number of waivers from Hong Kong laws, rules and regulations. Please refer to the section headed "Waivers" in this prospectus for further details. For instance, as we have received a waiver from compliance with Chapters 14 and 14A of the Listing Rules, we would not be required to obtain independent shareholder approval or prepare a shareholder circular in connection with certain transactions. For details regarding the Singapore rules and regulations relating to independent shareholders' approval, preparation of a shareholder circular on notifiable transactions and connected transactions, please see "Appendix V-A – Summary of the Constitution of our Company and the Salient Provisions of the Laws of Singapore." There is no assurance that the Stock Exchange and the SFC will not revoke any of these waivers granted or impose certain conditions on any of these waivers (for instance, if trading and the Company's Shareholder base gravitate to Hong Kong after the Listing Date) and consequently our Company is determined to be primary listed on the Stock Exchange. If any of these waivers were to be revoked or to be subject to certain conditions, we may be subject to additional legal and compliance obligations and incur additional compliance costs and face uncertainties arising from issues of multi-jurisdictional compliance, all of which could adversely affect us and our Shareholders.

Our Company may be determined by the Stock Exchange to be primary listed in Hong Kong if, among other things, the majority of trading takes place on the Stock Exchange, and in such event we may be subject to additional legal and compliance obligations and costs

Although our Company is seeking a secondary listing on the Stock Exchange, the Stock Exchange has the discretion to redesignate our listing status as primary. There is no assurance that our secondary listing status will continue in the future. For example, if the majority of the trading in our Company's Shares takes place on the Stock Exchange, our Company may, for the purposes of the Listing Rules, be determined to be primary listed on the Stock Exchange. In such an event, the waivers from strict compliance granted to our Company on the basis of a secondary listing will be revoked and we will be required to comply with the relevant provisions of the Listing Rules and will not benefit from the exemptions which we were previously granted. If such an event occurs, we will be subject to additional legal and compliance obligations and will incur additional compliance costs.

RISKS RELATING TO OUR BUSINESS

Our production capacity and facilities are key to our business and any prolonged or significant disruption to our production facilities may adversely affect our business, financial condition and results of operations

Our business is dependent on our production capacity and facilities. To meet the rising demand for our aluminium alloy extrusion products from our customers, we have since 31 December 2009 been in the process of increasing our production capacity through the installation of three new production lines. We have also been in the process of increasing our downstream fabrication production capacity to be able to process train car body components with the addition of two new downstream fabrication lines. We cannot assure you that we will not experience delays in the delivery or installation of new production machinery or equipment or breakdowns of our production machinery or equipment. Any prolonged and/or significant disruption to our production facilities will result in delays or failure to complete our customers' orders on time, or at all. We also cannot provide assurance that we will be able to expand our production capacity in time to meet our contractual obligations and the growing market demand for our products in the PRC due to the above reasons. If we fail to meet our contractual obligations or demand from our customers, our reputation, business, financial condition and results of operations may be materially and adversely affected.

Our major production facilities, the aluminium alloy extrusion production lines and the downstream fabrication production lines, of our Aluminium Alloy Division, our principal business division, are located in close proximity to each other in Liaoyuan, Jilin Province, the PRC. Any natural disasters or other events, such as floods, fires, earthquakes and typhoons, within the area of Liaoyuan, Jilin Province, or other events beyond our control, which cause significant damage in that area could materially and adversely affect our ability to meet contractual obligations and result in costly and time-consuming repairs that could materially disrupt our operations. In the event any of our production facilities suffer significant damage, we may be forced to seek alternative production facilities, which we believe would be extremely difficult to locate and secure given the highly specialised and large-scale nature of our manufacturing operations. Even if we are able to identify such alternative production facilities, we may incur significant additional costs and we may experience a disruption in the supply of our products until those facilities are available and become operational. Any disruption or delay in our manufacturing operations could materially and adversely affect our business, financial condition and results of operations.

Furthermore, in the event of any major or sustained disruptions in the supply of utilities such as water or electricity, or the occurrence of any man-made calamities resulting in significant damage to our production facilities, we may be unable to complete our customers' orders on time, or at all, which may adversely affect our financial condition and results of operation.

We generate a significant portion of our revenue from a few key customers, some of which are ultimately owned by the same parent company, such as CNR and CSR, and the loss of one or more of these customers, any significant reduction of purchases by these customers or any default in payment by these customers may materially and adversely affect our business, financial condition and results of operations

We rely on a few key customers to purchase our products. We have two customer groups – customers from the rail transport industry and customers from non-rail transport industries. Our rail transport industry customers comprise major PRC Licensed Train Manufacturers and Alstom, Siemens and Bombardier, the top three global train manufacturers. The aggregate revenue contribution from international sales made to the top three global train manufacturers (Alstom, Siemens and Bombardier) accounted for 4.5%, 3.6%, 4.5% and 2.3% of our total revenue from continuing operations for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively. As far as we are aware, two of the three global train manufacturers, namely Bombardier and Alstom, have a presence in the PRC through joint ventures with PRC companies. The PRC train manufacturing industry is highly concentrated with only five Licensed Train Manufacturers which hold licences to manufacture high speed and metro trains. Our customer base consists of all of the five Licensed Train Manufacturers. In particular, we have been a long-term supplier to CNR Changchun, CNR Tangshan and CSR Zhuzhou from as early as 2003, and NPRT since 2007. Furthermore, certain of our customers in the PRC rail transport industry belong to the same group of companies, such as CNR and CSR, which further concentrates our customer base in the rail transport industry. CNR contributed 25.9%, 38.5%, 30.4% and 41.2% to our total revenue from continuing operations for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively, while CSR contributed 8.3%, 18.6%, 17.5% and 23.5% to our total revenue from continuing operations for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively. Our non-rail transport industry customers include aluminium alloy producers and those engaged in the sales and trading of aluminium alloys. For the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, our five largest customers in aggregate accounted for approximately 51.8%, 63.9%, 58.5% and 71.1% of our total revenue from continuing operations, respectively. For the year ended 31 December 2007, two of our five largest customers were from the rail industry and the remaining three from other industries, and the revenue contributions from these two customers groups were 25.9% and 25.9% respectively. For the year ended 31 December 2008, four of our five largest customers were from the rail industry and the remaining one from other industries, and the revenue contributions from these two customers groups were 57.1% and 6.8% respectively. For the year ended 31 December 2009, four of our five largest customers were from the rail industry and the remaining one from other industries, and the revenue contributions were 47.9% and 10.6% respectively. Sales to our single largest customer for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010 accounted for approximately 14.9%, 27.7%, 15.8% and 27.9% of our total revenue from continuing operations, respectively. Our single largest customer for the same financial periods was from the rail industry. Please refer to the section headed "Business – Our Customers" of this prospectus for more detailed information.

Substantially all of the significant contracts we entered into were with our key customers. Certain of our contracts allow our customers to cancel individual orders placed under the contracts or terminate the contract for good cause, such as cancellation of orders by their end-customers, in which case, we would only be entitled to certain direct costs in accordance to the contract terms. Please refer to the section headed "Business – Suppliers and Raw Materials" of this prospectus for more detailed information.

In addition, there can be no assurance that in the future we will be able to retain our key customers or continue to receive orders from them at current levels. Given the concentrated nature of our customer base, our reliance on the sales to our five largest customers from whom we derived a significant portion of our revenue and the fact that a significant portion of our unperformed contracts are with our key customers, any material delay, suspension, cancellation, reduction or cessation of orders from any of them, any of our delay or failure to meet our contractual obligations to any customer, or any contractual dispute with any of such customers, either initiated by us or by such customer, could have a material impact on our business, results of operations and reputation. Failure by us to maintain good relationship with any major customer will also limit our ability to enter into more contracts and adversely affect our growth prospects.

Furthermore, if any of our key customers delays or defaults in payment, our financial condition and profitability will also be materially and adversely affected. For instance, our turnover days of trade receivables increased from 85 days in 2007 to 130 days in 2008 primarily as a result of prolonged payments from our customers mainly due to the economic downturn. Our provision for doubtful debts as at 31 December 2007, 2008 and 2009 were approximately S$0.5 million, S$0.6 million and S$0.4 million, respectively. However, no assurance can be given that our provisions for doubtful accounts will be adequate in the future. In addition, we are unable to assure you that risks of default by our customers will not increase in the future.

Certain rights we grant to our key customers under our contracts may expose us to loss

Some of our contracts with our key customers grant them certain rights which may expose us to loss, including the right to suspend orders (for instance, contracts with Siemens, Alstom, CNR Changchun, CNR Tangshan and CSR Zhuzhou) and the right to enter our facilities and take over the manufacturing of the subject products if we delay delivery or if we are in financial stress (for instance, contracts with Siemens, Alstom, CNR Changchun, CNR Tangshan and CSR Zhuzhou). We have been supplying to some of these customers from as early as 2003 and these five customers have contributed in aggregate to 35.8%, 53.2%, 44.9% and 52.7% of our total revenue from continuing operations for the three years ended 31 December 2007, 2008 and 2009, and the three months ended 31 March 2010, respectively. We cannot assure you that any of the above situations will not arise or that our customers will not exercise such contractual rights in the future. If our customers decide to exercise their rights to suspend orders or enter our facilities, we may incur significant loss or experience significant operational disruption, which may materially and adversely affect our business, financial condition and reputation.

We operate in a competitive industry and may not be able to maintain our market share, which may adversely affect our business, profit margins, financial condition and results of operations

The aluminium alloy extrusion industry is competitive with numerous aluminium alloy extrusion products manufacturers in the PRC and globally. Our competitors include large corporations in terms of assets and revenue, with significant financial resources, well-established brands, established customer base, strong sales and distribution networks, more comprehensive product lines and/or larger production capacities. There is no assurance that our competitors will not provide products and services comparable or superior to those we provide or adapt more quickly than we do to meet the evolving industry trends or changing market requirements.

Partly due to the increase in the total market size of aluminium alloy extrusion products for the PRC passenger rail transport industry from RMB353.3 million in 2007 to RMB575.5 million in 2009, our market share has increased from 75% in 2007 to 83% in 2008, and decreased to 66% in 2009. Although there are currently few aluminium alloy extrusion producers in the PRC who focus on supplying to train manufacturers, our management believes that the opportunities in the rail transportation sector present growth opportunities to new and existing players. As a result, market competition may increase significantly in the future. We consider that the entry barriers to this industry includes the requirement of an established track record and well established relationships with train manufacturers, the ability to consistently deliver high quality products in a timely manner, the mastery of relevant processes and the attainment of relevant expertise. According to CBI China, it takes a new market player approximately one to two years to produce high quality products in the market. For more information, please refer to the section headed "Industry Overview – Aluminium Alloy Extrusion Market in the PRC Passenger Rail Transport Industry – Competition and Trends of the Aluminium Alloy Extrusion Market in the PRC Passenger Rail Transport Industry" in this prospectus. There is no assurance that the number of aluminium alloy extrusion producers who supply to the train manufacturing industry will not significantly increase, or that our existing customers will not significantly expand their capabilities, or that train manufacturers will choose our aluminium alloy extrusion products over those of our competitors, or that we will be able to maintain our share of the PRC market for aluminium alloy extrusion products used in the production of high speed trains and metro train car bodies.

As at 30 June 2010, there are a total of eight market players supplying large-section aluminium extrusion products in the PRC passenger rail transport industry. No particular certification is required under PRC laws and regulations for the supply of aluminium extrusion products to the PRC passenger rail transport industry. There may be consolidation in the industry resulting in larger and more integrated players with significantly increased market share. Furthermore, in order to gain market share, our competitors may price their products aggressively, resulting in more intense competition. Increased competition may result in price reduction, reduced margins and loss of market share, any of which could materially adversely affect our results of operations.

In addition, if the number of the Licensed Train Manufacturers in the PRC increases in the future, there is no assurance that such newly licensed train manufacturer will choose our aluminium alloy extrusion products. Stiff competition and overall decline in demand for our products and services may also exert downward pressure on our prices and erode our profit margins. If we were unable to effectively compete against our competitors based on price, delivery lead time, product quality or any other criteria which our customers and potential customers deem important, we may not be able to maintain our market share and our business, profit margins, financial condition and results of operations may be adversely affected.

If we fail to renew or extend our certifications, we may lose our competitive edge

We are a certified supplier of aluminium alloy extrusion products in the PRC to two of the world's largest train manufacturers, Alstom and Siemens, as well as to Changchun Bombardier. The aggregate revenue contribution from international sales made to the top three global train manufacturers (Alstom, Siemens and Bombardier) accounted for 4.5%, 3.6%, 4.5% and 2.3% of our total revenue from continuing operations for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively. As far as we are aware, two of the three global train manufacturers, namely Bombardier and Alstom, have a presence in the PRC through joint ventures with PRC companies. Our certifications have provided us with the platform to expand and grow our business both in the PRC and the international export markets. In addition, our Aluminium Alloy Division, Jilin Midas Aluminium Industries Co., Ltd, is an accredited supplier and a holder of the Quality Focus Global Sourcing Grade "A" international certification of Alstom, in accordance with Alstom's Transport Standard. This status has enabled us to be a global sourcing partner of large-section aluminium alloy extrusion products for all of Alstom's units globally. We have also obtained the IRIS certification, an internationally recognised standard for the evaluation of management systems in the railway sector. These certifications are re-evaluated periodically, ranging from every year to every three years, and we cannot assure you that they will continue to be renewed or extended.

Our certifications form an important part of the basis on which international customers or potential customers can assess the quality of our products and services. PRC customers also value our certifications because they, in turn, may supply products or services to other international export markets. As a result, the certifications provide us with a competitive edge in retaining our existing customers and bidding for new customers and contracts in the PRC and globally. If we lose our certifications due to any reasons, or are unable to renew or extend our certifications, we may lose our competitive edge, which could adversely affect our business, financial condition, results of operations and growth prospects.

We rely on, and will continue to rely on, our Aluminium Alloy Division for substantially all of our revenue, and any material interruption or cessation of our Aluminium Alloy Division's business operations will adversely affect our business, financial condition and results of operations

We rely on, and will continue to rely on, our Aluminium Alloy Division for substantially all of our revenue. Our Aluminium Alloy Division accounted for approximately 88.8%, 91.7%, 95.4% and 96.7% of our total revenue from continuing operations for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively. In addition, 91.3%, 94.5%, 97.1% and 98.4% of our total gross profit from continuing operations for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively, was derived from the Aluminium Alloy Division. Our Aluminium Alloy Division will remain our principal business division and we do not have plans to expand the PE Pipes Division, which we consider to be a non-core business. If any incident causes the interruption, delay, or discontinuance of our Aluminium Alloy Division's normal business operations, in particular, those beyond our control, our business, financial condition and results of operations will be adversely affected.

The continued growth and success of our business depends on our ability to retain our key management, skilled workforce and personnel and any failure to retain them or find suitable replacements may adversely affect our business, financial condition and results of operations

Our continued growth and success depend to a significant extent on our ability to retain the services of our key management, skilled workforce and personnel. The loss of certain key members of our management, skilled workforce and personnel and the failure to attract qualified replacements may have an adverse impact on our business. In particular, the loss of either of our executive Directors, Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick, who founded our Group in 2000, will have a material adverse impact on our business. We have entered into service contracts with each of our executive Directors. Notwithstanding this, either of our executive Directors could leave our Company and would be free to work for a competitor after a contractually-agreed period of one year after the expiry or termination of his service contract with us. In addition, one or more of our senior management or other key personnel may be unable or unwilling to continue in their present positions, and we may not be able to find suitable replacements. We may also be required to divert financial resources and the attention of other senior executives to recruit replacements for departed key personnel.

Competition for qualified and skilled personnel in the aluminium alloy extrusion industry is intense. Competition for qualified and skilled candidates could cause us to offer higher compensation and other benefits in order to attract and retain them, which could have a material adverse effect on our financial condition and results of operations. We cannot assure you that we will be able to retain our existing or attract and retain new qualified personnel, including senior executives and skilled engineers.

In addition, if any member of our senior management team or any of our other key personnel joins a competitor or forms a competing company, we may lose customers, distributors, know-how, key professionals and staff members. Our success depends in part upon our proprietary know-how. Competitors that acquire and successfully utilise our proprietary know-how by acquiring our key management or key personnel may be able to compete more aggressively on the basis of price because they have not incurred development costs for the proprietary know-how, which would adversely affect our business. Our success also significantly depends on our relationship with key customers, which may be adversely affected if any of the key personnel who has good working relationships with any of our key customers leaves us.

Any failure to retain our key management, skilled work force and personnel or to recruit suitable replacements may adversely affect our business, financial condition and results of operations.

We do not own a controlling stake in NPRT and the other shareholders may take actions that are not in, or may conflict with, our interests

We invested in NPRT as a founding shareholder in 2006 as part of our strategy to tap into the rail transportation sector and capitalise on the increasing demand for metro trains stemming from the rapid growth in the PRC rail transportation sector. As at the Latest Practicable Date, we hold a 32.5% stake in NPRT. For the years ended 31 December 2007, 2008, 2009 and the three months ended 31 March 2010, our investment in NPRT contributed S$1.3 million, S$1.9 million, S$3.3 million and S$1.7 million, respectively, to our profit before tax from continuing operations respectively. As a non-controlling shareholder, we do not control the management of NPRT and do not participate in the financial, operating and policy decisions relating to NPRT. NPRT's other shareholders may take actions that are not in or may conflict with our interests. Such actions include reducing or discontinuing NPRT's purchases of aluminium alloy profiles for their metro train projects from our Company, which may adversely affect our financial condition and results of operations.

Our Aluminium Alloy Division requires a continuous and adequate supply of raw materials, which is subject to our suppliers' due performance of their contracts as well as price volatility

The raw materials used in our manufacturing processes are aluminium alloy billets (for our Aluminium Alloy Division). Aluminium alloy billets accounted for approximately 82.0%, 83.7%, 78.7% and 81.5% for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010 of our cost of sales for our Aluminium Alloy Division, respectively. We are therefore subject to fluctuations in the price of aluminium alloy billets. For an overview of the fluctuation in aluminium price, please refer to the section headed "Industry Overview – Aluminium Alloy Extrusion Market in the PRC Passenger Rail Transport Industry – Price of Aluminium Raw Material" in the prospectus for more detailed information. We source raw materials primarily from suppliers in the PRC. Purchases from our five largest suppliers in aggregate accounted for approximately 94.6%, 68.7%, 78.5% and 97.0% of our total cost of sales from continuing operations for the three years ended 31 December 2007, 2008 and 2009, and the three months ended 31 March 2010, respectively.

The price of aluminium alloy billets is determined principally by supply and demand in the international and domestic commodity markets, and fluctuates with market conditions and may be highly volatile. The timing of changes in the market price of aluminium alloys is largely unpredictable.

We enter into fixed-price and "cost-plus" contracts with our customers. For fixed-price contracts, we seek to lock in the prices of raw materials required for the entire duration and volume of each contract, thereby substantially locking in the gross margin for that contract. For "cost-plus" contracts, raw materials are purchased in line with customer orders and delivery schedules. However, we may not be able to pass on the cost increases to our customers or offset fully the effects of cost increases of raw materials, which may cause our profitability to decline. For example, there is a potential time lag between when prices for raw materials increase under our purchase contracts and when we can implement a corresponding increase in price under our sales contracts with our customers. We may also fail to secure a fixed-price contract with our raw material suppliers for the fixed-price customer contracts. Any significant increase in the prices of these raw materials which cannot be passed to our customers by way of a price increase will adversely affect our financial performance and hence our profitability. Furthermore, there is no assurance that our suppliers will not delay, suspend, cancel or reduce the supply of raw materials. Our business, financial condition and results of operation may be adversely affected if any of such incidents occurs. In addition, we have not entered into any hedging transactions and have not adopted any hedging policies to reduce our exposure to fluctuations in prices of raw materials. As a result, we may be exposed to fluctuations in the prices of raw materials, including prices of aluminium alloy billets. Any significant increase in the prices of these raw materials which cannot be passed on to our customers by way of a price increase will adversely affect our profitability.

We are subject to fluctuations in the price of aluminium alloy billets, which may cause our gross and net profit margins to fluctuate as a result of the contracts we enter into

As we use aluminium alloy billets as raw material in our manufacturing processes, we are subject to fluctuations in the price of aluminium alloy billets. Such fluctuations in raw material prices may cause related fluctuations in our gross and net profit margins. Our Company's business is engaged on a contract basis, including fixed-price contracts and "cost-plus" contracts. Due to the nature of the "cost-plus" contracts we entered into with our customers, our gross and net profit margins under these contracts are not fixed as an increase in raw material costs will increase our revenue as well as our cost of sales; although our gross and net profit under these "cost-plus" contracts would remain the same as raw materials are purchased in line with customer orders and delivery schedules, the associated gross and net profit margins of these contracts would decrease because the same amount of gross profit is being divided by a higher amount of revenue. Therefore, an increase in raw material costs will reduce our gross and net profit margin under these "cost-plus" contracts, and vice versa, which may result in fluctuations of our Company's gross and net profit margins, even though our gross profit for these contracts remains the same.

We rely on a few key suppliers for our raw materials and if any of these suppliers are unable to meet our requirements on a cost-effective and timely basis, and we are unable to find suitable replacements, our business may be materially disrupted

We rely on a few key suppliers for our raw materials. For the three years ended 31 December 2007, 2008, 2009 and the three months ended 31 March 2010, our largest raw material supplier accounted for approximately 39.0%, 23.3%, 39.4% and 32.0%, respectively, of the total cost of sales from continuing operations and our second largest raw materials supplier accounted for approximately 27.3%, 23.2%, 31.0% and 31.7%, respectively, of the total cost of sales from continuing operations for the three years ended 2007, 2008 and 2009 and the three months ended 31 March 2010. Please refer to the section headed "Business – Suppliers and Raw Materials" of this prospectus for detailed information on our key suppliers. Any unexpected loss of or dispute with our key suppliers will disrupt our supply of raw materials and have an adverse impact on our business, financial condition and results of operations.

Furthermore, there can be no assurance that our key suppliers will continue to supply raw materials which meet our quality standards at acceptable prices on a timely basis or at all. In the event that these suppliers are not able to fulfil our requirements, we may face difficulties in replacing them or may incur costs in switching to new suppliers, which would result in disruption to our business and affect our profitability.

The revenue from our Aluminium Alloy Division during the Track Record Period was largely generated from the sales of our aluminium alloy extrusion products to the passenger rail transport industry following our change of business focus and may not be indicative of our future results and growth prospects

The Aluminium Alloy Division is our principal business division and accounted for 88.8%, 91.7%, 95.4% and 96.7% of our total revenue from continuing operations for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively. During the Track Record Period, we supplied our products to the passenger rail transport industry, power industry and other industries (including engineering industry and building and construction industry). The majority of our revenue from our Aluminium Alloy Division during the Track Record Period was generated from sales of our aluminium alloy extrusion products to the passenger rail transport industry, which accounted for 52.1%, 64.3%, 64.8% and 69.6% of the total revenue of our Aluminium Alloy Division for the three years ended 31 December 2007, 2008 and 2009, and the three months ended 31 March 2010, respectively, whereas revenue from sales of our products to power industry and other industries comprised 47.9%, 35.7%, 35.2% and 30.4% of the total revenue of our Aluminium Alloy Division for the same periods respectively. This result was primarily attributable to our Group's business strategy as early as 2003 to gradually focus more on the rail transport industry with a view to capturing the market opportunities in the fast growing PRC railway industry. There is no assurance that we will be able to continue to carry out our business strategies successfully or at all, or that our revenue from the Aluminium Alloy Division will continue to grow in the future as it did in the past due to the uncertainties associated with our future growth, many of which are beyond our control. We strongly caution prospective investors not to take our historical results as indicative of our future growth.

Our customers may reduce their demand for aluminium alloy extrusion products in favour of other alternative materials

Our aluminium alloy extrusion products compete with products made from other materials, including steel and other metal composites, for use in the manufacture of high speed and metro train cars. Generally, products made of aluminium alloys are used in the manufacture of high speed train cars because aluminium alloys are considered to be stronger and of lighter weight. In the event our customers choose to use substitutes such as steel and other alternative materials due to cost concerns, market conditions, technological or other considerations, they may reduce their demand for our aluminium alloy extrusion products, and thus adversely affect our business, financial condition and results of operations.

We may require additional financing in the future, which may not be available on favourable terms, or at all

Our production facilities are highly capital-intensive to construct and maintain. For the three years ended 2007, 2008 and 2009 and the three months ended 31 March 2010, our capital expenditures amounted to S$13.0 million, S$43.2 million, S$118.3 million, and S$28.9 million respectively, which were primarily used to increase our aluminium alloy extrusion production capacity, acquire new aluminium alloy extrusion production lines and develop our downstream train car bodies fabrication capabilities. For each of 2007, 2008 and 2009, our aggregate annual extrusion production capacity was 20,000 tonnes, while our first downstream fabrication line commenced operation in 2009 and it was able to process train car body components for approximately 300 train cars per annum. Our capital requirements primarily depend on the amount of capital expenditures that our management believes is required to carry out our existing business operations and to develop new product lines. In addition, our future capital requirements may be substantial as we seek to expand our production capacity in line with increasing customer demands. We may need to raise additional funds to meet these requirements. As at 31 March 2010, our capital commitment for the additional three extrusion production lines and two downstream fabrication lines was approximately S$50 million, which will be funded by a combination of the proceeds of the share placement of 120,000,000 Shares that the Company completed in July 2009, internal cash resources, existing bank facilities and, where necessary, additional bank borrowing.

In order to fulfil our expansion plan to increase production capacity significantly, we have relied on both long-term and short-term borrowings during the Track Record Period to fund a portion of our capital requirements. Our long-term and short-term borrowings increased from S$18.4 million as at 31 December 2007 to S$103.9 million as at 31 March 2010. As a result, our debt to equity ratio, which is calculated by dividing total interest-bearing bank loans to shareholder's equity, increased from 10.1% to 31.7% during the same period. During the Track Record Period, our debt to equity ratio increased primarily due to the increase in borrowings outpacing the increase in equity.

As at 31 July 2010, which is the latest practicable date for determining our indebtedness, our total long-term and short-term borrowings was S$149.0 million. To finance the expansion of our production capacity, our short-term and long-term borrowings increased by approximately S$16.9 million and S$28.2 million respectively during the period between 1 April 2010 to 31 July 2010 according to our management accounts.

We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all. In addition, the sale of additional equity securities could result in additional dilution to our shareholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations. If we fail to obtain necessary funding on acceptable terms or at all, we may be forced to delay capital investment projects, potential acquisitions and investments or otherwise curtail or cease operations. Moreover, most of our assets, including land use rights, buildings and equipment, and some of our account receivables, are pledged or mortgaged in connection with our existing bank loans. Our failure to repay the loans through cash from operations or additional financing may cause foreclosure of some or all of our assets, which may have a material and adverse effect on our business and operations.

If we cannot manage our expansion and growth, or if the demand for our added production capacity or our train car body fabrication services does not grow as we expect or grows at a slower rate than we expect or decreases, or if we are not successful in enhancing our presence in international markets, our financial condition, results of operations and prospects may be adversely affected

We are in the process of expanding our aluminium alloy extrusion products production capacity which will increase our total annual production capacity from 20,000 tonnes to 50,000 tonnes by the end of 2010. We are also developing our downstream train car body fabrication capabilities which will increase our annual production capacity for processing car body components from approximately 300 train cars to approximately 1,000 train cars by the end of 2010. We intend to continue to expand the operations of our Aluminium Alloy Division through the acquisition of additional production capacity and the development of our downstream fabrication capabilities to process train car body components. Our expansion plans will likely place a significant strain on our managerial, operational and financial resources. We will also face significant demands to maintain an adequate supply of quality raw materials. Our plans for expansion and growth may encounter difficulties or delays that are unexpected or beyond our control. We cannot provide any assurance that there will be adequate demand for our added production capacity or our downstream fabrication services. If there is inadequate demand, our ability to recover the costs incurred to acquire the added production capacity or to develop our downstream fabrication capabilities to process train car body components will be adversely affected, which may materially and adversely impact our financial condition, results of operations and prospects.

We also plan to further enhance our presence in markets outside the PRC. However, we cannot assure you that we will be successful in expanding into international markets. Our international expansion exposes us to a number of risks including fluctuations in commodity prices and interest and foreign exchange rates, the effects of local governmental initiatives on management, national economic conditions, increased competition with international competitors, additional difficulties associated with international operations, such as increased transportation costs and staffing, differences in customer preferences, legal and regulatory changes, the burden and costs of our compliance with any foreign laws and additional tax burdens.

Our ability to manage our future growth will depend on our ability to increase the capacity of our operational, financial and management information systems on a timely basis and to expand, train and motivate our workforce. We cannot guarantee that our personnel, systems, procedures and controls will be adequate to support our future growth. Any failure to manage our expansion effectively may lead to increased costs and less optimal investment decisions, and potentially cause our Group to forgo business opportunities. Accordingly, our business, financial condition, results of operations and prospects could be adversely affected.

Certain of our Group's applications for trademark registrations in Hong Kong are pending approval

As at the Latest Practicable Date, we are in the process of registering certain trademarks, including our logo, in Hong Kong. For more information on these pending trademark applications, please refer to the section headed "Appendix VI – Statutory and General Information – B. Further Information about Our Business – 2. Intellectual Property Rights" of this prospectus. We rely on various intellectual property laws, including trademark laws, to protect our proprietary rights. As at the Latest Practicable Date, we were not aware of any material infringement of our intellectual property rights and we believe that we have taken all reasonable measures to prevent any infringement by us of any third party intellectual property rights.

However, there is no assurance that we will not receive any objection to the pending trademark applications or that the pending trademark applications will be approved. In addition, there is no assurance that the use in Hong Kong of the logo by the Group in this prospectus will not infringe the intellectual property rights of any other third party or in breach of the laws of Hong Kong. Any liability claim in relation to the use of the logo by the Group in Hong Kong, made or threatened to be made against the Group in the future, regardless of its merits, may result in costly litigation and put strain on the Group's administrative and financial resources.

We may face increased energy costs and/or insufficient energy supply

We consume substantial amounts of electricity for our production activities. As our production capacity increases and our business expands, our energy requirements will also increase. We have been able to meet our electricity requirements from the local power grid in Liaoyuan City, Jilin

Province, the PRC at government mandated rates; however, we may experience increases in energy costs, power shortages or disruptions in the future. If there is a significant increase in our energy costs or insufficient energy supply to satisfy our production requirements and accommodate our planned growth, our business, financial condition and results of operations could be adversely affected.

We may have insufficient insurance coverage in respect of product liability claims and certain business risks

We manufacture and sell aluminium alloy extrusion products for the rail transportation sector and we provide a general warranty that covers product quality. In addition, we are sometimes required under our contracts with our customers to compensate our end-customers and third parties for any product liability claims arising out of our products. As of the Latest Practicable Date, there have not been any warranty or product liability claims made against us. However, we cannot provide any assurance that we will not experience material losses arising from product liability claims in the future. If our products fail to meet the required specifications or quality standards, our business and reputation may be adversely affected. We may also face liability claims or lawsuits due to possible defective products. Such claims may be pursued by way of contractual remedy, dispute resolution and arbitration, or by way of civil action if the defects in our products result in damages or injuries suffered by third parties. We have obtained product liability insurance for our Aluminium Alloy Division. However, we cannot provide any assurance that such insurance coverage is sufficient to cover any losses arising from product liability claims. Any uninsured losses may adversely affect our business, financial condition and results of operations.

In addition, risks associated with aluminium alloy extrusion and PE Pipes production, including damage to production facilities, environmental pollution, transportation damages and delays, industrial damages and risks posed by natural disasters, may result in losses to our Company. We may be unable to obtain or maintain insurance policies covering risks associated with natural disasters, business interruption or environmental damages arising from our production activities. If we incur any loss which is not covered by our insurance policies, or our insurance coverage is insufficient to cover such losses should they arise, our financial condition and results of operations may be adversely affected.

We may be subject to foreign exchange risk

Our revenue is denominated mainly in RMB and our expenses are mainly incurred in RMB. Therefore, we are not subject to significant foreign exchange exposure arising from our operations and our Group currently does not have a formal hedging policy with respect to our foreign exchange exposure. Our Directors believe that a formal hedging policy would only become relevant if we expand our export operations.

However, our Company's working capital is derived from dividend income from our subsidiaries. Hence, our Company may be exposed to foreign exchange risks when our Company receives dividends from our PRC subsidiaries. As the reporting currency of our Company is Singapore dollars, the financial statements of our PRC subsidiaries are converted into Singapore dollars upon consolidation. Assets and liabilities of our PRC subsidiaries are converted to Singapore dollars at the prevailing exchange rates in effect at the balance sheet date. Exchange differences arising on conversion are accounted for as currency realignment in the shareholders' equity in the balance sheet.

Please refer to the section headed "Financial Information – Qualitative and Quantitative Disclosure about Market Risk – Foreign Exchange Risk" and "Appendix I – Accountant's Report" in this prospectus for detailed information.

RISKS RELATING TO OUR INDUSTRY

Any reduction or change in the level of the PRC government's spending on transportation infrastructure may materially and adversely affect our business

Train manufacturers who build high speed trains and metro trains as part of transport infrastructure development in PRC cities are amongst our Aluminium Alloy Division's major customers. These infrastructure developments are mostly funded by the PRC government or are a result of the implementation of PRC government policies. Accordingly, our business largely depends on continued infrastructure spending by the PRC government. The PRC government has in the past implemented various macroeconomic policies to manage the growth of the PRC economy. Recently the PRC government announced large fiscal stimulus packages to boost the domestic economy. This included RMB4 trillion worth of investments in, among other things, highways, railways, power grids and other public transportation infrastructure developments. Various factors affect the nature, scale, location and timing of the PRC government's public investment plans in the transportation infrastructure sector of the PRC. These factors include the government's policy and priorities regarding different regional economies across the PRC, deregulation to encourage private sector participation in the transportation infrastructure sector and the general condition and prospects of the overall PRC economy.

Any significant reduction in the PRC government's public budgets for the national transportation infrastructure, especially on high speed trains and metro trains, could lead to a reduction in demand for our aluminium extrusion products and consequently have a material and adverse effect on our business.

The recent global economic slowdown and the slowness in recovery could materially and adversely affect our business, financial condition and results of operations

The global capital and credit markets have recently been experiencing periods of extreme volatility and disruption. The recent global economic slowdown, concerns over inflation or deflation, energy costs, geopolitical issues, and the availability and cost of credit have contributed to unprecedented levels of market volatility and diminished expectations for the global economy and the capital and consumer markets in the future. These factors, combined with volatile oil prices, declining business activities and consumer confidence and the declining employment rate, have rendered the global and the PRC economic outlook uncertain despite of some signs of recovery. As a result, demand for our products may significantly decrease, thereby materially and adversely affecting our business, financial condition and results of operations.

We are subject to environmental, safety and health laws and regulations in the PRC, and any failure to comply with these laws and regulations or to control the associated costs could adversely affect our business

As part of our business operations, we are required to comply with various environmental, health and safety laws and regulations promulgated by the PRC government. Any failure by us to control the use of, or to adequately restrict the discharge of, hazardous substances could subject us to potential significant monetary damages, fines or administrative, civil or criminal sanctions, which could disrupt, limit or even result in the suspension of our operations. We expect to be subject to additional requirements in the future, as the PRC government continues to pass laws aimed at strengthening environmental protection measures and adopts stricter environmental standards. Given the magnitude and complexity of these laws and regulations, compliance with them may be onerous or require significant financial and other resources to establish effective compliance and monitoring systems. If we fail to comply with these laws and regulations or to control the associated costs, our financial condition and results of operations may be adversely affected.

Our business and operations could be severely disrupted by adverse weather conditions, natural disasters and the outbreak of health epidemics including Severe Acute Respiratory Syndrome ("SARS"), H1N1 and avian influenza

Our production operations may be severely affected by the occurrence of unfavourable weather conditions, floods, earthquakes, snow storms, epidemics or other acts of God in the areas where our production facilities are located. In early 2009, the H1N1 flu was deemed a worldwide epidemic by the World Health Organisation. Certain areas of the PRC have also experienced health epidemics such as SARS, H1N1 and avian influenza. Any prolonged recurrence of SARS, H1N1 or avian influenza, or any other health epidemic in the PRC could result in material disruptions to our business operations or a slowdown of the PRC's economy, which could materially and adversely affect our business, financial condition and results of operations. For example, if any of our employees are identified as a possible source of spreading SARS, H1N1 or avian influenza or any other similar epidemic, we may be required to quarantine our employees, temporarily close our production facilities or suspend our distribution channels. Even if we are not directly affected by the epidemic, an outbreak of SARS, H1N1 or avian influenza or other similar epidemics, whether inside or outside the PRC, could slow down or disrupt economic activities generally. Severe weather conditions or natural disasters may damage our production facilities, disrupt our energy supply or distribution channels and cause injury to our employees. Our business, financial condition and results of operations may be adversely affected as a result.

RISKS RELATING TO DOING BUSINESS IN THE PRC

Changes in political, social or economic policies in the PRC, or a slowdown in the PRC's economy, may have an adverse impact on our operations

Substantially all of our assets are currently located in the PRC. A substantial portion of our sales are generated from the PRC and we anticipate that sales of our products in the PRC will continue to represent a substantial proportion of our total sales in the near future. As a result, our results of operations and prospects are and will continue to be subject to political, economic, social and legal developments in the PRC. The PRC economy differs from the economies of most developed countries in many aspects, including the extent of government involvement, allocation of resources, capital reinvestment, level of development, growth rate, and control of foreign exchange. Historically, the Chinese economy was centrally-planned, with a series of economic plans promulgated and implemented by the PRC government. Since 1978, the PRC government has undergone various reforms of its economic system. Such reforms have resulted in economic growth for the PRC in the last two decades. However, continued governmental control of the economy may adversely affect us. We cannot give assurance that the PRC government will continue to pursue economic reforms. A variety of policies and measures that could be taken by the PRC government to regulate the economy, including (i) the introduction of measures to control inflation or deflation, or reduce growth, (ii) changes in the rates or methods of taxation, or (iii) the imposition of additional restrictions on currency conversions and remittances abroad, could materially and adversely affect our business, financial condition and results of operations. Accordingly, our financial conditions and results of operations may be adversely affected by changes in the PRC's political, economic and social conditions and by changes in policies of the PRC government or changes in laws, regulations or the interpretation or implementation thereof.

Our business and operations in the PRC are governed by the legal system of the PRC which has inherent uncertainties that could limit the legal protections available to our shareholders

Our business and operations in the PRC are governed by the legal system of the PRC. The PRC legal system is a codified system with written laws, regulations, circulars, administrative directives and internal guidelines. The PRC government is still in the process of developing its legal system, so as to meet the needs of investors and to encourage foreign investment. As the PRC economy is undergoing development generally at a faster pace than its legal system, some degree of uncertainty exists in connection with whether and how existing laws and regulations will apply to certain events or circumstances. Some of the laws and regulations, and the interpretation, implementation and enforcement thereof, are still at an experimental stage and are therefore subject to policy changes. Further, precedents on the interpretation, implementation and enforcement of the PRC laws and regulations are limited, and court decisions in the PRC do not have any binding effect on lower courts. Accordingly, the outcome of dispute resolution may not be as consistent or predictable as in the other more developed jurisdictions and it may be difficult to obtain swift and equitable enforcement of the laws in the PRC, or to obtain enforcement of a judgement by a court of another jurisdiction.

It may be difficult to effect service of process upon our Group, its Directors or executive officers who live in the PRC or to enforce against them in the PRC any judgements obtained from non-PRC courts

Some of our Directors and executive officers reside within the PRC, and substantially all of our assets and substantially all of the assets of those persons are located within the PRC. Currently the PRC does not have treaties providing for the reciprocal recognition and enforcement of judgements of courts with the United States, the United Kingdom, Japan or most other developed countries or regions except Hong Kong. Therefore, it may not be possible for investors to effect service of process upon our Group or those persons inside the PRC or to enforce against them in the PRC any judgements obtained from a court in jurisdictions where the PRC does not have treaties providing for the reciprocal recognition and enforcement.

On 14 July 2006, Hong Kong and the PRC entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (the “Arrangement”) which was implemented on 1 August 2008 pursuant to which a party with a final court judgement rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgement in the PRC. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. However, there are also many requirements and restrictions under the Arrangement, therefore it may still be difficult to enforce judgements of Hong Kong court upon our Group or our Directors and executive officers inside the PRC.

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

Our PRC subsidiaries are subject to the PRC rules and regulations on currency conversion. In the PRC, the SAFE regulates the conversion of the RMB into foreign currencies. Currently, foreign investment enterprises ("FIEs") are required to apply to SAFE for "Foreign Exchange Registration Certificates for FIEs". All of our PRC subsidiaries are FIEs. With such registration certifications (which need to be renewed annually), FIEs are allowed to open foreign currency accounts including the "basic account" and "capital account". Currently conversion within the scope of the "basic account" (e.g. remittance of foreign currencies for payment of dividends, etc.) can be effected without requiring the approval of SAFE. However, conversion of currency in the "capital account" (e.g. for capital items such as direct investments, loans, etc.) still requires the approval of, or registration with, SAFE. Please refer to the section headed "Financial Information – Qualitative and Quantitative Disclosure about Market Risk – Foreign Exchange Risk" in this prospectus for further details.

Our significant assets are our equity interests in our PRC subsidiaries. We cannot assure you that the relevant regulations will not be amended to our disadvantage and that the ability of our PRC subsidiaries to distribute dividends to us will not be adversely affected.

The discontinuation of certain preferential tax treatment currently available to us may increase our tax liability and in turn decrease our net income, hence affecting our financial condition and results of operation

During the Track Record Period, Jilin Midas was entitled to certain preferential tax treatment. According to the "*Approval with respect to Jilin Midas Enjoying Preferential Enterprise Income Tax Polices after Expanded Investment*" (Ji Guo Shui Fa [2006] No. 316) issued by Jilin Province Bureau of State Administration of Taxation, profits generated from the 55MN manufacturing line purchased by Jilin Midas with its expanded investment were exempt from the enterprise income tax duty for two years commencing from the first profit-making year, and thereafter, entitled to a 50% deduction of enterprise income tax duty for the next three years. There is no assurance such preferential tax treatment will not be withdrawn or revoked by the PRC Government or become inapplicable before the expiry of the current term. If we cease to enjoy such preferential tax treatment or if the scope of the preferential tax treatment is scaled back, our effective tax rate may increase, which may increase our tax liability and in turn decrease our net income.

In addition, during the Track Record Period, our Aluminium Alloy Division received certain non-recurrent reinvestment tax refunds. Such reinvestment tax refunds are monies paid back to us pursuant to a tax policy adopted by the PRC government. These reinvestment tax refunds are non-recurring because the tax policy pursuant to which the refunds were granted has been abolished under the PRC EIT Law. Reinvestment tax refunds generally amount to 40% of the amount of reinvested profit and the amount of increase in operating capital investment. The timing of the refund is conditioned upon the payment of income tax by our Company. We applied for a reinvestment tax refund on 12 January 2007. Our application was approved by the PRC tax authorities and we received such reinvestment tax refunds over the course of 2007 to 2009. We cannot provide any assurance that we will be able to receive such reinvestment tax refunds in future.

We may be deemed a PRC resident enterprise under PRC tax laws and be subject to PRC taxation on our worldwide income

Under the PRC EIT Law, enterprises established outside of the PRC whose "de facto management bodies" are located in the PRC are considered "resident enterprises" and will generally be subject to the uniform 25% enterprise income tax rate on their global income. Under the Implementation Regulations of the PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法實施條例) (the "Implementation Regulations") the term "de facto management body" is defined as a body which substantially manages, or has control over the business, personnel, finance and assets of an enterprise. According to a recent circular titled Circular regarding Matters on Determination of Tax Residence Status of Chinese-Controlled Offshore Incorporated Enterprises under Rules of Effective Management (國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知) promulgated by the State Administration of Taxation, enterprises which are incorporated offshore while controlled by PRC domestic enterprise will be regarded as "resident enterprise" for PRC enterprise income tax purposes if their "de facto management body" is based in the PRC, with reference to certain specified criteria. Currently, there have been no official implementation rules regarding the determination of the "de facto management" for foreign enterprises such as us which are not controlled by PRC enterprises. Therefore, it remains unclear whether the PRC tax authorities will treat us as a PRC resident enterprise for tax purposes. We believe we are not an offshore enterprise controlled by PRC domestic enterprise and therefore currently we should not be deemed as a PRC resident enterprise for enterprise income tax purposes. However, we cannot assure you that we will not be considered a PRC resident enterprise by the PRC tax authorities and that we will not be subject to enterprise income tax at a tax rate of 25% on our worldwide income accordingly. We also cannot assure you that the PRC authorities will not amend the relevant rules or promulgate new tax rules in the future to the effect that such rules will apply to us and we are treated as a PRC resident enterprise which shall be subject to PRC enterprise income tax. Should any of these occur, our business, financial condition and results of operations would be materially and adversely affected.

Dividends payable by us to our foreign investors and gain on the sale of our Shares may become subject to withholding taxes under PRC tax laws

Under the PRC EIT Law and the Implementation Regulations, PRC income tax at the rate of 10% is applicable to dividends payable by a PRC resident enterprise to investors that are "non-resident enterprises" which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business to the extent such dividends have their source within the PRC, although such income tax may be exempted or reduced by the State Council of the PRC or pursuant to a tax treaty between the PRC and the jurisdictions in which the non-PRC shareholders reside. Similarly, any gain realised on the transfer of shares by such investors is also subject to PRC income tax if such gain is regarded as income derived from sources within the PRC. As described in the risk factor above, there is uncertainty whether we will be considered a PRC resident enterprise by the PRC tax authorities. Accordingly, it is unclear whether the dividends we pay with respect to our Shares, or the gain you may realise from the transfer of our Shares, would be treated as income derived from sources within the PRC and be subject to PRC tax. Our tax liability may depend, in part, on how the PRC tax authorities would interpret, apply or enforce the new PRC EIT Law and the implementation regulations or amend the relevant rules. If we are required by the PRC tax authorities to withhold PRC income tax on our dividends payable to our foreign shareholders, or if you are required to pay PRC income tax on the transfer of your Shares, the value of your investment in our Shares may be materially and adversely affected.

Dividends payable by our PRC subsidiaries or associate company to us may not qualify to enjoy the preferential tax treatment under the Singapore-China Tax Treaty

We are incorporated under the laws of Singapore with substantially all of our operations conducted through our PRC subsidiaries and associated company. Under the PRC EIT Law, dividends, interests, rents and royalties payable by a foreign invested enterprise in the PRC to its foreign investor who is a non-resident enterprise, as well as gains on transfers of shares of a foreign-invested enterprise in the PRC by such a foreign investor, will be subject to a 10% withholding tax, unless such non-resident enterprise's jurisdiction of incorporation has a tax treaty with the PRC that provides for a reduced rate of withholding tax. Under Singapore-China Tax Treaty, the withholding tax rate for dividends paid by a PRC resident enterprise to a Singapore resident enterprise is no more than 5% if the Singapore enterprise owns at least 25% equity interest of the PRC enterprise; otherwise the dividend withholding tax rate is 10%. According to the Notice of the State Administration of Taxation on Issues regarding the Administration of the Dividend Provision in Tax Treaties (國家稅務總局關於執行稅收協定股息條款有關問題的通知) (the "Notice 81") promulgated on 20 February 2009, to apply the Tax Treaty, certain requirements shall be satisfied, among which: (1) the taxpayer shall be the beneficiary owner of the relevant dividends; (2) for corporate recipients that enjoy the tax treatment under the Tax Treaty as direct owners of a certain proportion of the equity interest of a PRC enterprise (usually such certain proportion shall be 25% or 10%, and under the Singapore-China Tax Treaty, it is 25%), such corporate recipients must satisfy the direct ownership thresholds at all times during the 12 consecutive months preceding the receipt of the dividends. On 24 August 2009, the State Administration of Taxation issued the Administrative Measures for Non-resident Enterprises to Enjoy Treatments under Tax Treaties (For Trial Implementation) (非居民享受稅收協定待遇管理辦法) (the "Administrative Measures"), which became effective on 1 October 2009 and requires that the non-resident enterprises obtain the approval for enjoying the treatments under tax treaties from the competent tax authority. Further, the State Administration of Taxation promulgated the Notice on How to Understand and Recognize the "Beneficiary Owner" in Tax Treaties (國家稅務總局關於如何理解和認定稅收協定中"受益所有人"的通知) on 27 October 2009, which limited the "Beneficiary Owner" to individuals, enterprises or other organizations normally engaged in substantive operations, and set forth certain adverse factors on the recognition of such "Beneficiary Owner". Given the various PRC tax regulations providing more and more strict requirements for enterprises to apply preferential withholding tax rate under tax treaties, we cannot assure you that we can satisfy all these requirements and obtain necessary approval to enjoy the preferential treatment under the Tax Treaty.

Future changes in laws, regulations or enforcement policies in the PRC could adversely affect our business

Laws, regulations and enforcement policies in the PRC, including those regulating the aluminium alloy extrusion industry, are evolving and are subject to future changes. Future changes in applicable laws, regulations or administrative interpretations, or stricter enforcement policies by the PRC government, could impose more stringent requirements on us, including fines and penalties. Compliance with such requirements could impose substantial additional costs or otherwise have a material adverse effect on our business, financial condition and results of operations.

RISKS RELATING TO OUR SHARES AND THE GLOBAL OFFERING

The Offer Price may not be indicative of prices that will prevail in the trading market and you may not be able to resell our Shares at or above the price you paid, or at all

Prior to this Global Offering, our Shares were not offered to the public in Hong Kong. The Offer Price for our Shares was determined by negotiations between us and the Joint Bookrunners (for themselves and on behalf of the Underwriters) and may bear no relationship to the market price for our Shares after the Global Offering. We cannot assure you that an active trading market in Hong Kong for our Shares will develop or that the market price of our Shares will not decline below the Offer Price.

The market price of our Shares may be volatile

The market price for our Shares may be volatile and subject to wide fluctuations in response to factors including the following:

- actual or anticipated fluctuations in our operating results;
- changes in financial estimates by securities research analysts and failure to perform in line with these estimates;
- government regulations;
- general economic conditions and investor perception of the investment environment in Asia, including Hong Kong and the PRC;
- addition or departure of key personnel;
- fluctuations of exchange rates between the Renminbi and the HK dollar;
- the general economy and other factors.

In addition, the securities market has from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our Shares. We cannot assure you that the price of our Shares will not decline.

As the Offer Price of our Shares is higher than our net tangible asset value per Share, you will experience immediate and substantial dilution to your attributable net tangible asset value per Share

The Offer Price of the Shares is higher than the net tangible asset value per Share issued to existing shareholders. Accordingly, purchasers of our Shares in the Global Offering will experience an immediate dilution in the pro forma combined net tangible asset value of HK$2.67 per Share (assuming an Offer Price of HK$6.10, being the maximum Offer Price, and excluding the net assets attributable to the minority Shareholders), and existing Shareholders will receive an increase in the net tangible asset value per Share of their Shares.

Investors may face difficulties in protecting their interests because we are incorporated under the laws of Singapore, which may provide different remedies to minority shareholders when compared with the laws of Hong Kong and other jurisdictions

Our corporate affairs are governed by our Articles of Association and by Singapore laws and regulations. The Singapore laws relating to the protection of the interests of minority shareholders differ in some respects from those established under statutes or judicial precedents in Hong Kong, the United States and other jurisdictions. Such differences may mean that the remedies available to our minority Shareholders may be different from those they would have under the laws of Hong Kong, the United States or other jurisdictions. For more details, please refer to "Appendix V-A – Summary of the Constitution of our Company and the Salient Provisions of the Laws of Singapore Laws" to this prospectus.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding our Shares, the market price for our Shares and trading volume could decline

The trading market for our Shares will be influenced by research or reports that industry or securities analysts publish about us or our business. If one or more analysts who cover us downgrade our Shares or publishes negative information about us, the market price for our Shares would likely decline regardless of the accuracy of the information. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the market price for our Shares or trading volume to decline.

Facts and statistics in this prospectus, including those relating to the Chinese economy and the industry in which we operate, may not be fully reliable

Facts and statistics in this prospectus, including those relating to the PRC, the Chinese economy, the industry in which we operate, are derived from various official and private publications and obtained from communications with various official agencies and non-governmental third parties which we believe are reliable. We cannot guarantee, however, the quality or reliability of these source materials. While we have taken reasonable care to ensure that the facts and statistics presented are accurately reproduced and extracted from these sources, they have not been independently verified by us, the Joint Lead Managers, the Underwriters, nor any of their or our affiliates or advisers. We therefore make no representation as to the accuracy of such facts and statistics from these sources, which may not be consistent with other information compiled by other parties.

Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the official and other statistics in this prospectus relating to the Chinese economy and the industry in which we operate and other related sectors in the PRC may be inaccurate, or may not be comparable to statistics produced for other economies, and thus should not be unduly relied upon. Furthermore, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as may be the case in other countries. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such official facts or official statistics.

Forward looking statements contained in this prospectus are subject to risks and uncertainties

This prospectus contains certain statements that are "forward-looking" and uses forward looking terminology such as "anticipate", "believe", "expect", "estimate", "may", "ought to", "should" or "will". Those statements include, among other things, the discussion of our growth strategy and expectations concerning our future operations, liquidity and capital resources. Purchasers of our Shares are cautioned that reliance on any forward-looking statement involves risk and uncertainties and that, any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. The risks and uncertainties in this regard include, but are not limited to, those identified in this "Risk Factors" section, many of which are not within our control. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations by us that our plans and objectives will be achieved and investors should not place undue reliance on such forward-looking statements. Subject to the requirements of the Listing Rules, we do not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

INFORMATION ON THE GLOBAL OFFERING

The Offer Shares are offered or sold solely on the basis of the information contained and representations made in this prospectus and the Application Forms and on the terms and subject to the conditions set out herein and therein. No person is authorised to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorised by our Company, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of their respective affiliates, directors, agents, employees or advisers or any other person or party involved in the Global Offering.

UNDERWRITING

The listing of our Shares on the Stock Exchange is sponsored by Credit Suisse as sole sponsor.

Credit Suisse is the sole global coordinator of the Global Offering.

Credit Suisse and J.P. Morgan are the joint bookrunners of the International Placing and Credit Suisse and J.P. Morgan Asia Pacific are the joint bookrunners of the Hong Kong Public Offer.

Credit Suisse, J.P. Morgan and CCBI are the joint lead managers of the International Placing and Credit Suisse, J.P. Morgan Asia Pacific and CCBI are the joint lead managers of the Hong Kong Public Offer.

The Hong Kong Public Offer is underwritten by the Hong Kong Underwriters listed in the section headed "Underwriting", subject to agreement on the Offer Price between us and the Joint Bookrunners (on behalf of the Underwriters).

The International Placing is expected to be underwritten by the International Underwriters.

For further information about the Underwriters and the underwriting arrangements, see the section entitled "Underwriting" for more information.

PRICING OF THE GLOBAL OFFERING

Pricing for the Shares for the purpose of the Global Offering will be fixed on the Price Determination Date, when market demand for the Shares will be determined, which is expected to be on or around 28 September 2010, by agreement between the Joint Bookrunners, on behalf of the Underwriters, and our Company and the number of Shares to be allocated under the Global Offering will be determined shortly thereafter. If, for any reason, the Offer Price is not agreed between our Company and the Joint Bookrunners (on behalf of the Underwriters) by 4 October 2010, the Global Offering will lapse.

RESTRICTIONS ON THE USE OF THIS PROSPECTUS

No action has been taken to permit a public offering of the Offer Shares, other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering and sales of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been offered or sold, and will not be offered or sold, directly or indirectly, in the PRC.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, our Shares in issue (excluding treasury Shares) and the Shares to be issued pursuant to the Global Offering (including any shares which may be issued upon the exercise of the Over-allotment Option or the ESOS).

All Shares in issue are admitted to and trading on the SGX-ST. Prior to the Offer Shares being issued, our Company has made an application to the SGX-ST for the Offer Shares to be admitted to trading on the SGX-ST. Except as disclosed in this prospectus, no part of our Company's share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

As Shareholders' approval is required for, among other things, the issue of Offer Shares in connection with the proposed Global Offering and the secondary listing of our Shares on the Stock Exchange, and the proposed amendments to our Articles of Association to, amongst other things, comply with the requirements of the Listing Rules, a circular in relation to such matters was despatched by our Company on 7 April 2010 to our Shareholders. An extraordinary general meeting of our Company was consequently held on 30 April 2010 whereby resolutions were passed for, inter alia, the approval of the issue of Offer Shares in connection with the proposed Global Offering and the secondary listing of our Shares on the Stock Exchange, and the proposed amendments to our Articles of Association. Save as disclosed aforesaid, no approval from the SGX-ST is required for the proposed Global Offering or the secondary listing of our Shares on the Stock Exchange.

PROFESSIONAL TAX ADVICE RECOMMENDED

If you are unsure about the taxation implications of subscribing for, purchasing, holding or dealing in our Shares, you should consult your professional adviser.

It is emphasised that none of us, the Sole Global Coordinator, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, their respective affiliates, directors, agents, employees and advisers, nor any other person involved in the Global Offering accepts any responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding or disposing of our Shares.

HONG KONG REGISTER OF MEMBERS

Our Company's principal register of members will be maintained by its Singapore Principal Registrar, Intertrust Singapore Corporate Services Pte. Ltd. in Singapore and our Company's Hong Kong share register of members will be maintained by its Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited.

STAMP DUTY

Dealings in the Shares registered on our Company's Hong Kong register of members will be subject to Hong Kong stamp duty.

OVER-ALLOTMENT OPTION AND STABILISATION

Details of the arrangements relating to the Over-allotment Option and stabilisation are set out in "Structure of the Global Offering".

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The application procedure for the Hong Kong Offer Shares is set out in the section headed "How to Apply for Hong Kong Offer Shares".

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set out in the section headed "Structure of the Global Offering".

CURRENCY TRANSLATIONS

Unless otherwise specified, amounts denominated in Renminbi and US dollars have been translated, for the purpose of illustration only, into Hong Kong dollars in this prospectus at the following rates:

HK$1.0	:	RMB0.88
HK$7.77	:	US$1.0
HK$5.78	:	S$1.0
RMB5.06	:	S$1.0

No representation is made that any amounts in Renminbi, US dollars, Singapore dollars or Hong Kong dollars can be or could have been at the relevant dates converted at the above rates or any other rates or at all.

LANGUAGE

If there is any inconsistency between the Chinese names of the Chinese entities mentioned in this prospectus and their English translations, the Chinese names shall prevail. Translated English names of Chinese laws and regulations, certain governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries included in this prospectus and for which no official English translation exists) are unofficial translations for your reference only.

ROUNDING

Any discrepancies in any table between totals and sums of amounts listed therein or in calculations between figures are due to rounding.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Chen Wei Ping	2 Marina Boulevard #58-06, The Sail @ Marina Bay, Singapore 018987	Chinese
Chew Hwa Kwang, Patrick	11 Carmen Street, Opera Estate, Singapore 459738	Singaporean
Non-executive Director		
Tong Wei Min, Raymond	475 River Valley Road, #20-01, Valley Park, Singapore 248360	Singaporean
Independent non-executive Directors		
Chew Chin Hua	2 Countryside Link, Singapore 789926	Singaporean
Chan Soo Sen	335D Pasir Panjang Road, Singapore 118664	Singaporean
Xu Wei Dong	Law School of Jilin University, No. 2699 Qianjin Street, Changchun City, Jilin Province, The People's Republic of China	Chinese

OTHER PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Global Coordinator and Sole Sponsor	Credit Suisse (Hong Kong) Limited 45th Floor Two Exchange Square 8 Connaught Place Central Hong Kong
Joint Bookrunners	*For the Hong Kong Public Offer* Credit Suisse (Hong Kong) Limited 45th Floor Two Exchange Square 8 Connaught Place Central Hong Kong J.P. Morgan Securities (Asia Pacific) Limited 28th Floor, Chater House 8 Connaught Road Central Central Hong Kong *For the International Placing* Credit Suisse (Hong Kong) Limited 45th Floor Two Exchange Square 8 Connaught Place Central Hong Kong J.P. Morgan Securities Ltd. 125 London Wall London EC2Y 5AJ United Kingdom

Joint Lead Managers

For the Hong Kong Public Offer

Credit Suisse (Hong Kong) Limited
45th Floor
Two Exchange Square
8 Connaught Place
Central
Hong Kong

J.P. Morgan Securities (Asia Pacific) Limited
28th Floor Chater House
8 Connaught Road Central
Central
Hong Kong

CCB International Capital Limited
34th Floor, Two Pacific Place
88 Queensway
Admiralty, Hong Kong

For the International Placing

Credit Suisse (Hong Kong) Limited
45th Floor
Two Exchange Square
8 Connaught Place
Central
Hong Kong

J.P. Morgan Securities Ltd.
125 London Wall
London EC2Y 5AJ
United Kingdom

CCB International Capital Limited
34th Floor, Two Pacific Place
88 Queensway
Admiralty, Hong Kong

Hong Kong Underwriters	Credit Suisse (Hong Kong) Limited 45th Floor Two Exchange Square 8 Connaught Place Central Hong Kong
	J.P. Morgan Securities (Asia Pacific) Limited 28th Floor, Chater House 8 Connaught Road Central Central Hong Kong
	CCB International Capital Limited 34th Floor, Two Pacific Place 88 Queensway Admiralty, Hong Kong
Legal advisers to our Company	*As to Hong Kong Law and US Law*
	Shearman & Sterling 12th Floor, Gloucester Tower, The Landmark 15 Queen's Road, Central Hong Kong
	As to Singapore Law
	WongPartnership LLP One George Street #20-01 Singapore 049145
	As to PRC Law
	Jingtian & Gongcheng 34/F, Tower 3, China Central Place 77 Jianguo Road Chaoyang District Beijing 100025 People's Republic of China

Legal advisers to the Underwriters	*As to Hong Kong Law and US Law* Herbert Smith 23rd Floor Gloucester Tower 15 Queen's Road Central Hong Kong *As to PRC Law* Global Law Office 15th Floor Tower 1, China Central Place No. 81, Jianguo Road Chaoyang District Beijing 100025 People's Republic of China
Auditors and joint reporting accountants	BDO Limited 25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong BDO LLP 19 Keppel Road #02-01 Jit Poh Building Singapore 089058
Property valuers	CB Richard Ellis Limited 4/F, Three Exchange Square 8 Connaught Place Central Hong Kong
Receiving bankers	Hang Seng Bank Limited 83 Des Voeux Road Central Hong Kong China Construction Bank (Asia) Corporation Limited 16/F., York House, The Landmark 15 Queen's Road Central Hong Kong

Registered Office	2 Shenton Way #04-01 SGX Centre 1 Singapore 068804
Headquarters	2 Shenton Way #04-01 SGX Centre 1 Singapore 068804
Principal place of business in Hong Kong	8th Floor, Gloucester Tower The Landmark 15 Queen's Road Central Hong Kong
Joint Company Secretary	*Singapore* Tan Cheng Siew @ Nur Farah Tan *Hong Kong* Ngai Wai Fung
Authorised representatives	Chew Hwa Kwang, Patrick 11 Carmen Street Opera Estate Singapore 459738 Ngai Wai Fung *FCIS, FCS (PE), CPA, ACCA* 8th Floor, Gloucester Tower The Landmark 15 Queen's Road Central Hong Kong
Members of Audit Committee	Chew Chin Hua *(Chairman)* Chan Soo Sen Tong Wei Min, Raymond
Members of Remuneration Committee	Chan Soo Sen *(Chairman)* Chew Chin Hua Tong Wei Min, Raymond
Members of Nomination Committee	Chan Soo Sen *(Chairman)* Chew Chin Hua Tong Wei Min, Raymond

Singapore Principal Registrar and Transfer Office	Intertrust Singapore Corporate Services Pte Ltd 3 Anson Road #27-01 Springleaf Tower Singapore 079909
Hong Kong Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Compliance Adviser	Platinum Securities Company Limited 22/F, Standard Chartered Bank Building 4 Des Voeux Road Central Hong Kong
Principal bankers	Industrial & Commercial Bank of China Liaoyuan City Branch 518 Renmin Avenue Liaoyuan City Jilin Province, PRC 136200 China Construction Bank Liaoyuan City Branch 418 Renmin Avenue Liaoyuan City Jilin Province, PRC 136200 Industrial & Commercial Bank of China Shanxi Branch Da Yu West Street Ruicheng County Shanxi Province, PRC 044600

Certain facts, statistics and dates presented in the section below and elsewhere in this prospectus have been derived, in part, from various official government sources unless otherwise indicated. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information has not been independently verified by our Company, the Sole Sponsor, the Underwriters or any other party involved in the Global Offering and no representation is given as to its accuracy.

We have commissioned CBI China, a leading PRC domestic consulting and research firm, based in China, with a focus on the PRC aluminium alloy extrusion industry, to prepare an industry report on the aluminium alloy extrusion industry and passenger rail transport industry[(1)]. CBI China is the only data source provider which has been commissioned by us. The following section is a summary of the views and findings of CBI China set out in their report prepared as at 30 June 2010.

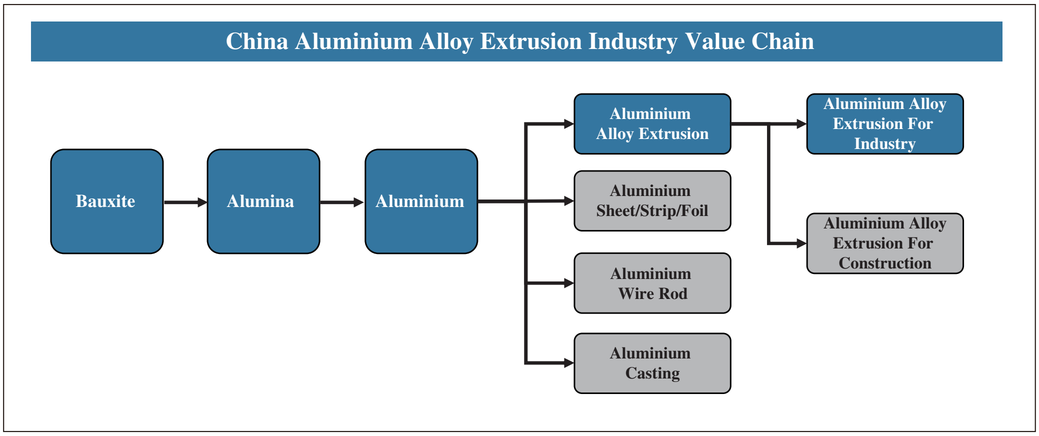
OVERVIEW OF THE PRC ALUMINIUM ALLOY EXTRUSION INDUSTRY

China Aluminium Alloy Extrusion Industry Value Chain

Aluminium is a lightweight, corrosion resistant, durable and malleable metal. Whilst having the stiffness of steel, it is still ductile and can be easily machined, cast, drawn and extruded, making it suitable for a wide range of applications. Due to its abundance and broad applications, aluminium is one of the most widely-used nonferrous metals in the world. Aluminium that is often used for fabrication includes primary aluminium smelted from the raw material alumina and recycled aluminium produced from scrap metal.

(1) The parameters and assumptions of CBI China's report reflect CBI China's understanding of the prevailing PRC aluminium alloy extrusion industry and passenger rail transport industry. CBI China's market assessment and forecast of China aluminium extrusion profile demand in the passenger rail transportation sector is highly correlated with the Chinese government's policy in this sector at the time of preparation of its industry report. The key data source of assumptions and parameters for market assessment and forecast in the industry report are mainly derived from two sources. One is PRC government and relevant industry organisations/associations' public statistics, official documents and official press release. Such organisations/associations include Ministry of Land and Resource PRC, China General Customs, NDRC, MOR, Ministry of Transportation and China Nonferrous Metal Industry Association. The second source is through CBI China's primary interviews with major industrial players and experts when industrial insight, such as aluminium train percentage, average aluminium profile tonnage per train, car density of high speed train and metro train and average car delivery lead time in the industry, is necessary. The terms of engagement in respect of the report prepared by CBI China are mainly normal commercial terms, including standard terms such as consulting fees, payment terms, report timetable and confidentiality provisions. The terms of the engagement and consulting fees were negotiated on arm's length basis between CBI China and the Company. The total consulting fees amounted to approximately US$70,000 and were paid by the Company. Prior to the engagement of CBI China by the Company for this industry report, there were no previous dealings between CBI China and the Company.

The diagram below is a graphical illustration of the PRC aluminium alloy extrusion industry value chain.



Source: CBI China

Bauxite Industry

In China, demand for bauxite is largely met by imports due to limited reserves and increasing alumina capacity in recent years. Bauxite imports increased from 0.6 million tonnes in 2003 to 26.1 million tonnes in 2008.

Alumina Industry

Although China faced slight alumina shortages before 2005, China's alumina self sufficiency increased from 52.3% in 2003 to 84.9% in 2008 due to fast capacity expansions in its alumina industry. According to statistics from China's customs department and CBI China, in 2009, China imported 5.1 million tonnes of alumina whilst domestic alumina output reached 24.3 million tonnes, comprising one third of global production.

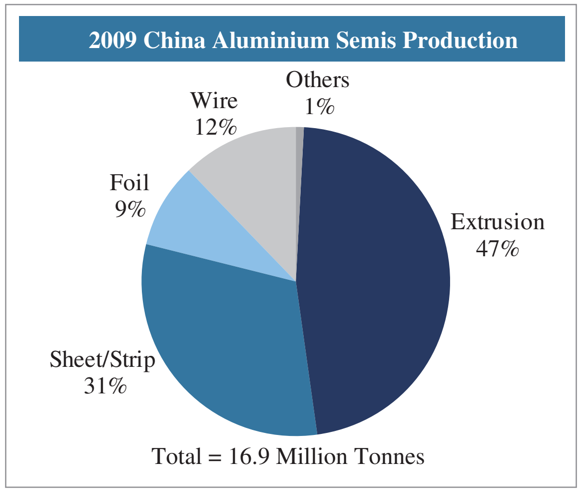
Aluminium Alloy Industry

China's aluminium alloy industry experienced rapid development from 2001 to 2007, with domestic output increasing over 20% year on year during this period. CBI China estimated that, due to the global financial crisis, China's aluminium industry experienced limited growth in 2008 and 2009, with aluminium output reaching 13.2 million tonnes and 12.9 million tonnes respectively.

Semi-finished Aluminium Alloy Products Industry

The semi-finished aluminium alloy products industry, more commonly referred to as the aluminium semis industry, refers to the industry that manufactures intermediate aluminium alloy products from aluminium alloy ingots. These intermediate products include aluminium alloy extrusion products, aluminium alloy strips and sheets, and aluminium alloy foil. According to statistics from the China Nonferrous Metal Industry Association ("China NIA") and CBI China, with approximately 1,400 producers, the PRC aluminium semis industry's capacity exceeded 20 million tonnes at the end of 2009. The total output of the PRC aluminium semis industry was approximately 16.9 million tonnes at the end of 2009. Aluminium alloy extrusion output comprised 7.9 million tonnes, foil output comprised 1.5 million tonnes and sheet and strip output comprised 5.2 million tonnes.

The chart below illustrates the breakdown of China's aluminium semis production by product type.



Source: CBI China

Applications of Aluminium Alloy Extrusion Products

Aluminium alloy extrusion products can be classified into products for construction use and products for industrial use. Aluminium alloy extrusion for construction is mainly used in windows, doors, guardrails and curtain walls for buildings, or structure components such as trailers, bridges, roofs of stadiums, airport departure halls and warehouses. Aluminium alloy extrusion for industry is applied in transportation, machinery and equipment, consumer durables, aviation and aerospace, automobiles, power, agriculture, military and other downstream sectors.

The table below provides examples of aluminium extrusion product applications in broad industry segments.

China Aluminium Alloy Extrusion Application		
Segment		Application Description
Aluminium Alloy Extrusion for Construction	Construction and Real Estate	Windows, doors, guardrails and curtain walls for buildings
		Structure components for trailers, bridges, roofs of stadiums, airport departure halls, warehouses etc.
Aluminium Alloy Extrusion for Industry	Transportation	Passenger rail transport equipment including high speed and metro train car bodies
		Other railway equipment, automobiles, containers, bicycles, ships and vessels, aviation and aerospace etc.
	Machinery and Equipment	Equipment for petroleum and petrochemical industry, machinery for power and electric communication industries
	Consumer Durable and Others	Home appliances including air conditioners, washing machines etc. Others includes the military industry

Source: CBI China

Aluminium Alloy Extrusion Market Supply and Demand Balance

According to CBI China, the demand for aluminium alloy extrusion products in the PRC increased significantly from 2004 to 2007 with a CAGR (Compound Annual Growth Rate) of 29.6%. In 2007, the output of aluminium alloy extrusion products in the PRC reached 7.1 million tonnes, with net export at 1.0 million tonne in 2007.

According to CBI China, the domestic demand for aluminium extrusion products grew at 10.9% from 2008 to 2009. The total output in 2009 was 7.9 million tonnes, while net export was 0.4 million tonnes in 2009. In that year, China consumed approximately 7.5 million tonnes of aluminium alloy extrusion products, representing a CAGR of approximately 21.7% from 2004 to 2009.

Main Producers in the Aluminium Alloy Extrusion Market

Based on statistics from China NIA, there are more than 600 aluminium alloy extrusion producers in China, among which, 85% are small plants with capacities below 10 kilo tonnes per year that mainly manufacture construction products.

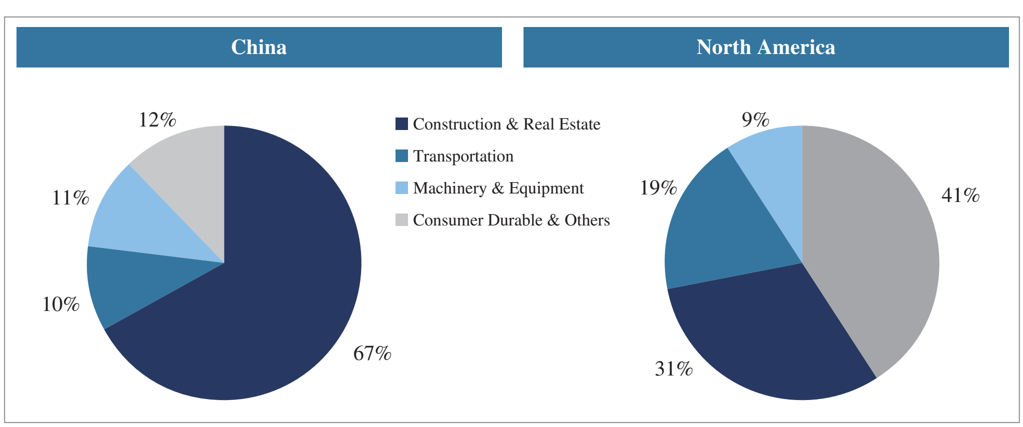
The top 10 aluminium alloy extrusion products producers are predominantly located in the provinces of Liaoning, Guangdong and Shandong. They include China Zhongwang Holdings Limited, HaoMei Aluminium Co., Ltd, Shandong Nanshan Aluminium Co., Ltd, Guangdong Fenglu Aluminium Co Ltd, Longkou Conglin Aluminium Co., Ltd, Xinfa Aluminium Holdings Limited, Jiangyin Xinyu Decoration Material Co., Ltd, Fujian Minfa Aluminium Inc and Guangdong Jianmei Aluminium Profile Factory Co., Ltd.

The aluminium alloy extrusion industry in the PRC appears to be undergoing a process of integration and consolidation. China's National Development and Reform Commission (NDRC) launched the Aluminium Industry Admittance Regulation in October 2007, requiring new aluminium alloy extrusion plants to have an annual capacity of above 50 kilo tonnes. New plants are also required to have lower energy consumption, higher product yield and higher facility efficiency.

Demand for Aluminium Alloy Extrusion Products in the PRC

In comparison with North America, demand for aluminium alloy extrusion products in China is expected to grow rapidly. China's transportation and logistics industry consumed 749 kilo tonnes of aluminium alloy extrusion products in 2009. Examples of such aluminium alloy extrusion products include bicycles, automobiles, containers, passenger railway, car bodies, cargo railway car bodies, ship vessels and aircraft.

The chart below sets out a breakdown of aluminium extrusion applications across industry sectors for both the PRC and North America.



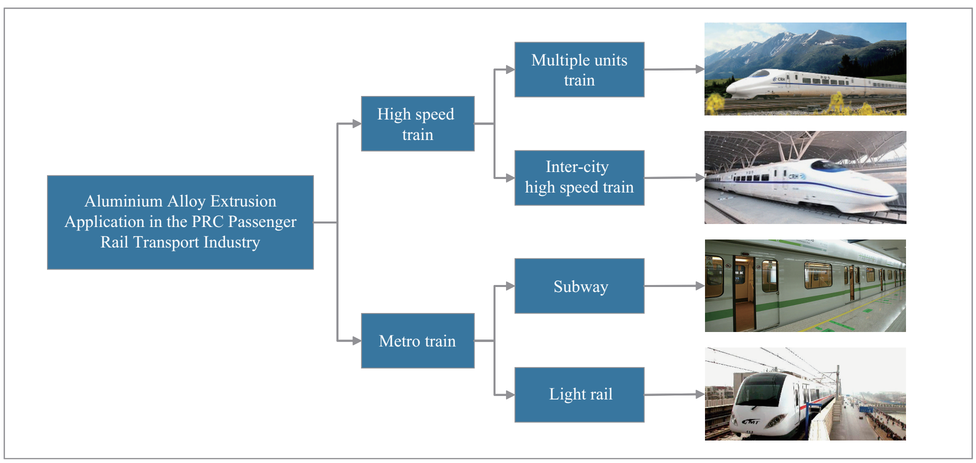
Source: CRU and CBI China

ALUMINIUM ALLOY EXTRUSION MARKET IN THE PRC PASSENGER RAIL TRANSPORT INDUSTRY

Application of Aluminium Alloy Extrusion Products in the Passenger Rail Transport Industry in the PRC

Aluminium alloy extrusion products in the PRC passenger rail transport industry come in the form of body parts of passenger cars in high speed trains and aluminium metro trains. All high speed train car bodies are constructed with aluminium alloy whilst metro train car bodies are constructed with both stainless steel and aluminium alloy.

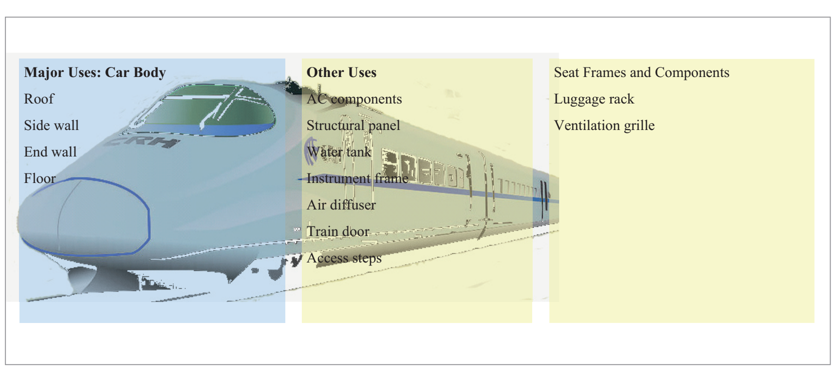
The diagram below illustrates the general applications of aluminium extrusion products in the PRC passenger rail transport industry.



Source: CBI China

The use of aluminium alloy in railway trains reduces dead-weight and energy consumption while increasing speed and load bearing capacity. As such, aluminium alloy extrusion products are typically used for the roof, end wall, side wall, floor, and accessories such as armrests and access steps, of both high speed and metro trains.

The diagram below sets out the uses of aluminium extrusion products in high speed trains.



Source: CBI China

Aluminium Alloy Extrusion Market Size and Growth in the PRC Market

The MOR plans to invest RMB2 trillion from 2011-2015 in expanding its railway system with an emphasis on the development of metro and high speed rail lines. In conjunction with these investments, demand for metro and high speed trains is expected to surge in the near future.

With its ability to reduce dead-weight and energy consumption while increasing speed and load-bearing ability, aluminium alloy extrusion products are ideal for the passenger rail transport industry and are widely used in metro and high speed trains.

As such, growth of domestic metro and high speed train production would consequently increase the demand for aluminium alloy extrusion products. The demand for aluminium alloy extrusion products is expected to increase significantly in the short term.

Aluminium Alloy Extrusion Demand in the PRC Passenger Rail Transport Industry in the PRC

According to CBI China, the market for aluminium alloy extrusion products in the PRC passenger rail transportation generally experienced fast development over the past three years, with annual growth rates hitting 33.7% and 34.5% in 2008 and 2009 respectively. The market demand from the metro and high speed passenger rail transport industries in the PRC, in terms of volume, respectively reached 8.6 and 10.1 kilo tonnes in 2009.

The following two charts illustrate the growth in demand for aluminium extrusion products in the PRC passenger rail transport industry.

Demand for Aluminium Extrusion Products in the PRC Passenger Rail Transport Industry between 2007 and 2009

	Unit	2007	2008	2009
High Speed	KT	5.7	7.6	10.1
Metro Line	KT	4.7	6.3	8.6
Total	KT	10.4	13.9	18.7
Growth Rate			33.7%	34.5%

Source: CBI China

Source: CBI China

Outlook for Demand of Aluminium Extrusion Products in the PRC Passenger Rail Transport Industry between 2010 and 2012

According to CBI China, the current policies of the PRC government will result in the growth of both the production and delivery of high-speed and metro trains in the near future, which should increase the demand of aluminium extrusion products for rail transportation equipment to an estimated high of 66.7 kilo tonnes in 2012.

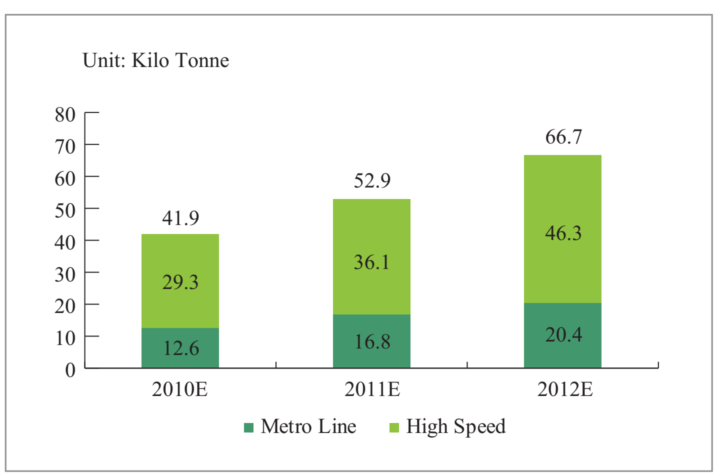
In relation to the metro trains segment, in accordance with the PRC government's plans to increase the area coverage of metro lines, the demand of metro trains should continue to grow in the near future, with a corresponding increase in demand for aluminium extrusion products in the metro train segment expected to reach an estimated high of 20.4 kilo tonnes in 2012.

As for the high-speed train segment, based on the delivery lead time of orders placed by the MOR with train manufacturers, the demand and related production of high-speed trains should continue to grow in the near future. The corresponding increase in demand for aluminium extrusion products in this segment should be expected to reach an estimated high of 46.3 kilo tonnes in 2012.

The following two charts illustrate the estimated growth in demand for aluminium extrusion products in the PRC passenger rail transport industry for 2010, 2011 and 2012.

	Unit	2010E	2011E	2012E
High Speed	KT	29.3	36.1	46.3
Metro Line	KT	12.6	16.8	20.4
Total Volume	KT	41.9	52.9	66.7
Growth Rate		123.4%	26.3%	26.0%

Source: CBI China



Source: CBI China

Competition and Trends of the Aluminium Alloy Extrusion Market in the PRC Passenger Rail Transport Industry

Large aluminium alloy extrusion equipment with an extrusion force greater than 50MN is required to produce large-section aluminium alloy extrusion products.

Although there are more than 600 aluminium alloy extrusion producers in the PRC market, only approximately 17 of them own large extrusion equipment with the potential capacity to produce large-section aluminium alloy extrusion products.

Most of the 17 aluminium alloy extrusion producers who have large extrusion equipment are privately owned companies that emerged in the last two decades. These companies are mainly located in northeast China, Shandong and Guangdong province. In addition to these privately owned companies, there are also state-owned companies such as Southwest Aluminium, Northwest Aluminium and Northeast Light Alloy, who manufacture aluminium alloy extrusion products for government projects. Foreign investment companies such as Jilin Midas and Aleris Aluminium Tianjin Co., Ltd. (formerly known as Corus Aluminium Extrusions Tianjin Co., Ltd.) (acquired by Aleris International, Inc in 2005) and also have production capabilities in China, focusing their production on the high-end aluminium alloy extrusion market.

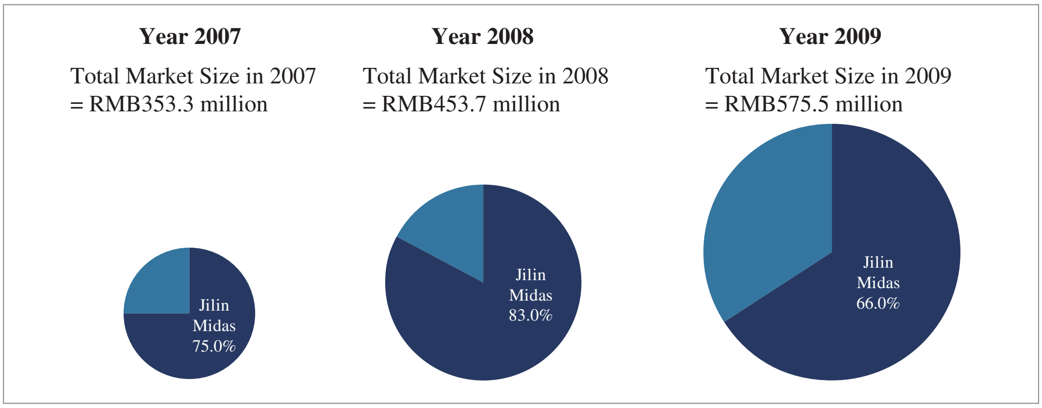
The passenger rail transport industry requires consistently high quality aluminium alloy extrusion products to be supplied in a timely manner. Manufacturing safe metro and high speed trains are of high priority to manufacturers and thus a good track record is important to producers bidding on aluminium alloy extrusion supply contracts with train manufacturers. It takes a new market player approximately one to two years to master relevant technology and acquire relevant expertise to produce high quality products in this industry.

Since 2002, the rapid growth of the PRC passenger rail transport industry has provided opportunities for aluminium alloy extrusion companies. As of 30 June 2010, eight companies have provided large-section aluminium alloy extrusion profiles for the passenger rail transport industry. Jilin Midas and Longkou Conglin Aluminium Co., Ltd. are the leading companies, accounting for the largest share of the market in recent years. Jilin Midas and Shandong Nanshan Aluminium Co., Ltd. are the only two aluminium alloy extrusion products suppliers in the PRC which have been awarded IRIS certification as of 30 June 2010. Jilin Midas and Longkou Conglin Aluminium Co., Ltd. were reported to have drafted the industry standards for aluminium alloy extrusion products for China's high speed rail transport industry.

Based on Jilin Midas's revenue derived from aluminium alloy extrusion products sold to the PRC railway sector, as compared with the estimated market size by value in the PRC based on the estimated number of aluminium bodied metro and high speed train cars produced in the PRC each year, the estimated average tonnage of aluminium alloy consumed through production of these trains, and the estimated average unit price of aluminium alloy extrusion products in the passenger rail transport industry in the PRC, CBI China estimates Jilin Midas's market share of the aluminium alloy extrusion products for the PRC passenger rail transport industry to be 75.0%, 83.0% and 66.0%, in 2007, 2008 and 2009 respectively.

The following chart illustrates Jilin Midas' market share of aluminium alloy extrusion products for the PRC passenger rail transport industry.

Jilin Midas' Market Share of Aluminium Alloy Extrusion Products for the PRC Passenger Rail Transport Industry

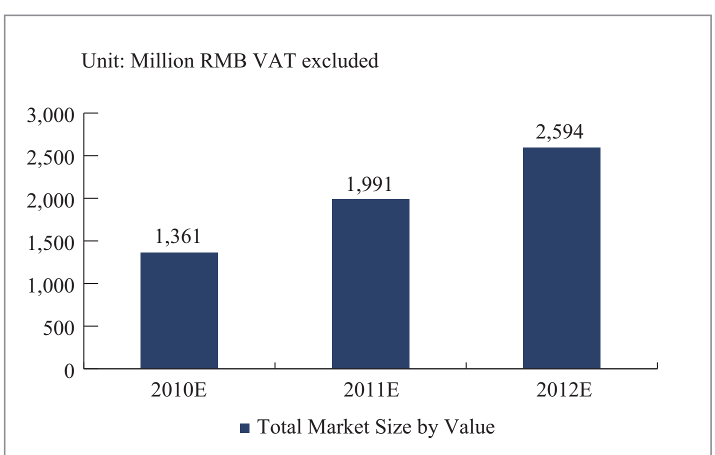


Source: CBI China
Note: Value Added Tax is not included in the calculation of market size

A few aluminium alloy extrusion companies in the PRC have already extended their business into the fabrication process, with Jilin Midas being the first to establish downstream production line. Longkou Conglin Aluminium Co., Ltd. has established an assembly capacity of 200 train car body components per year and Jilin Midas has been in the process of adding two new downstream fabrication lines. This addition would increase Jilin Midas' downstream fabrication production capacity, to process train car body components, from 300 to 1,000 train cars by the end of 2010.

Outlook for the Market Size of Aluminium Alloy Extrusion Products for the PRC Passenger Rail Transport Industry between 2010 and 2012

Based on the projection of the average processing fee and aluminium price between 2010 and 2012, CBI China estimates the market size of aluminium alloy extrusion products for the PRC passenger rail transport industry in 2010, 2011 and 2012 to be as follows:



Source: CBI China

	Unit	2010E	2011E	2012E
Market Value .	Million RMB VAT excluded	1,361.1	1,990.9	2,594.3
Growth Rate . .	–	136.5%	46.3%	30.3%

Source: CBI China

Price of Aluminium Raw Material

Global industrial demand and supply of aluminium is generally determined by the global financial climate and the outlook of the aluminium market participants.

Aluminium prices are prone to fluctuation as aluminium is one of the most commonly traded commodities in commodity markets. Given its high demand and wide range of industrial applications, many investors have bought into aluminium as a form of financial investment. The behavior of these investors, together with that of the traders and aluminium end users play a determinative role in influencing the price of aluminium in both the London Metal Exchange (the "LME") and the Shanghai Futures Exchange (the "SHFE").

Between 2004 and 2009, aluminium prices fluctuated in response to the changes of the global economic climate and the resulting changes in industrial supply and demand.

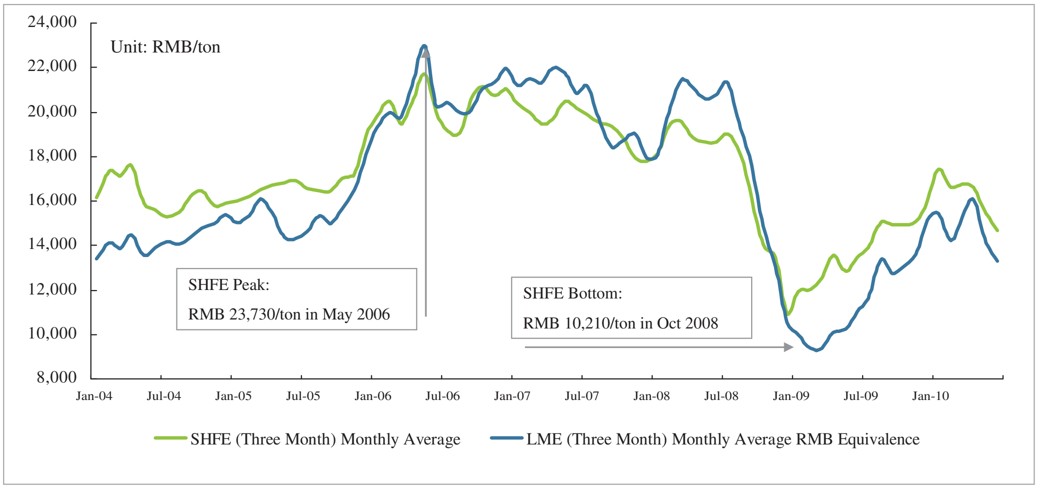
Between 2004 and 2006, the world and China experienced strong economic growth, with GDP growing at a rate of 4.9% to 5.1% and 10.1% to 11.6% respectively. During this period, the demand of aluminium exceeded supply, causing a surge in aluminium prices, with price reaching RMB23,730 per tonne.

Between 2006 and early 2008, China and the world generally enjoyed robust economic growth, causing the price of aluminium to fluctuate at a high level as its relatively good price attracted investments into the aluminium new capacity and futures market.

In late 2008, shrinking demand of aluminium, caused by the global financial crisis, resulted in a sharp decline of aluminium prices in both the spot and futures market. The price of aluminium reached a low of RMB10,210 per tonne in October 2008.

In 2009, as the market in China recovered and demand increased, China capitalised on relatively lower international market aluminium prices and imported large amounts of aluminium. China imported 150 kilo tonnes of aluminium in 2009, 1,126% higher than the amount imported in 2008. This increase in demand of aluminium from China caused a price increase of aluminium in the international market.

The graph below illustrates the movement in aluminium spot and futures prices, on the LME and SHFE respectively, between January 2004 and June 2010.



Resource: SHFE (Shanghai Futures Exchange) and LME (London Metal Exchange)

Note: LME RMB price = LME USD price Average Exchange Rate from USD to RMB (the corresponding exchange rate is based on the data published by The People's Bank of China)

Processing Fees

Processing fees are the major source of profit for aluminium alloy extrusion producers. The processing fees of aluminium alloy extrusion products vary due to different technology requirements which depend on factors such as alloy components, size, shape and structure of the aluminium alloy section. Aluminium alloy extrusion products for the PRC passenger rail transport industry require larger sections, higher weight bearing capacity and better performance stability as compared to most other industrial applications.

According to CBI China, the average processing fee charged in every industry is determined by many factors, such as the type of technology that is required by the industry, the nature of the material processed, the complexity of the structure of required profiles, market conditions and competition. The average processing fee for aluminium alloy extrusion products in the passenger rail transportation equipment sector in the PRC was approximately RMB21,000/tonne (VAT included) from 2007 to 2009, which was higher than that of industrial application products and significantly higher (approximately four to five times) than construction sector products.

Although the entry of more players into the aluminium alloy extrusion industry in the PRC in recent years has affected processing fees, the higher technology requirements for manufacturing products for the passenger rail transportation industry has created a barrier to entry that has managed to keep the average processing fee in this industry stable. In the near term, it would take entrants to the aluminium alloy extrusion industry some time to acquire the required large extrusion equipment and master the required technology and know-how. CBI China estimates that for 2010 and 2011 the average processing fee for aluminium alloy extrusion products in the PRC passenger rail transportation equipment sector will stabilise at above RMB23,000/tonne (VAT included), as demand for aluminium extrusion products in this sector is expected to reach a historic high level in 2010 and 2011.

During the Track Record Period, the Company's processing fees varied, sometimes above and sometimes below the industry average of RMB21,000/tonne (VAT included), ranging between RMB18,500/tonne (VAT included) and RMB22,000/tonne (VAT included).

DEVELOPMENT OF THE PRC PASSENGER RAIL TRANSPORT INDUSTRY

The PRC Passenger Rail Transport Industry

Driven by the PRC government's Medium to Long Term Plan for Railway Network Development, the PRC passenger rail transport industry has been developing remarkably in the last 5 years. The metro rail transport industry is also growing rapidly due to fast urbanisation and increasing urban population.

High speed rail

Being the busiest railway in the world, railway networks in China transported 25% of global freight and passengers with only 6% of global railway mileage in 2006.

In December 2008, the revised Medium to Long Term Plan for Railway Network Development was approved by the PRC State Council. The current plan is to eventually separate passenger transport from cargo transport on major rail lines, and expand the passenger railway network by opening four west-eastern lines and four north-southern lines. This is also to fulfil the target of having a total of 110,000 km of rail lines operating in 2012 and above 120,000 km of rail lines operating in 2020.

The diagram below illustrates the planned rail lines under the revised Medium to Long Term Plan for Passenger Railway Network Development in the PRC.

Medium to Long Term Plan for Passenger Railway Network Development in the PRC

Source: CBI China

According to the revised Medium to Long Term Plan for Railway Network Development in China, total investment in the passenger rail transport industry in the PRC would keep the industry growing at an annual rate of approximately 30% before 2020. Total investment in 2009 reached RMB600 billion, up by 78% from 2008. China's operating railway mileage reached 86,000 km by the end of 2009, second only to the US.

The table below provides an overview of the investments made by the Chinese government into the PRC passenger rail transport industry between 2007 and 2009:

Investment Overview of the Passenger Rail Transport Industry in the PRC between 2007 and 2009

Railway	Unit	2007	2008	2009
Total Investment in China Railway Industry	RMB Billion	180	340	600
Operating Mileage	Thousand km	78	80	86
Newly-Built High Speed Rail Lines	Thousand km	0.4	1.2	3.7
Total High Speed Rail Lines	Thousand km	N/A	N/A	6.6
Car Density	Car/km	N/A	N/A	0.42
Existing High Speed Trains	Car	1,440	2,720	2,768
Output of High Speed Trains	Car	574	760	1,014
Aluminium Extrusion Profile Consumption	Kilo tonnes	5.7	7.6	10.1

Source: Official data from MOR, CNR and CSR public information and CBI China interview

Based on the revised Medium to Long Term Plan for Railway Network Development in China, the total operating high speed rail mileage is estimated to reach 10,000 km, 14,900 km and 21,400 km in 2010, 2011 and 2012 respectively. As the PRC government is expected to prioritise the expansion of high speed rail coverage over meeting the demand derived from the rapid growth of passenger flow, China's rail car density is expected to be maintained at approximately 0.4 car/km to 0.5 car/km. Based on the foregoing, CBI China estimates the output of high speed trains in 2010, 2011 and 2012 to be 2,932, 3,613 and 4,633 respectively.

The table below provides an estimated overview of the investments to be made by the Chinese government into the PRC passenger rail transport industry in 2010, 2011 and 2012:

Projected Investment Overview of the Passenger Rail Transport Industry in the PRC between 2010 and 2012

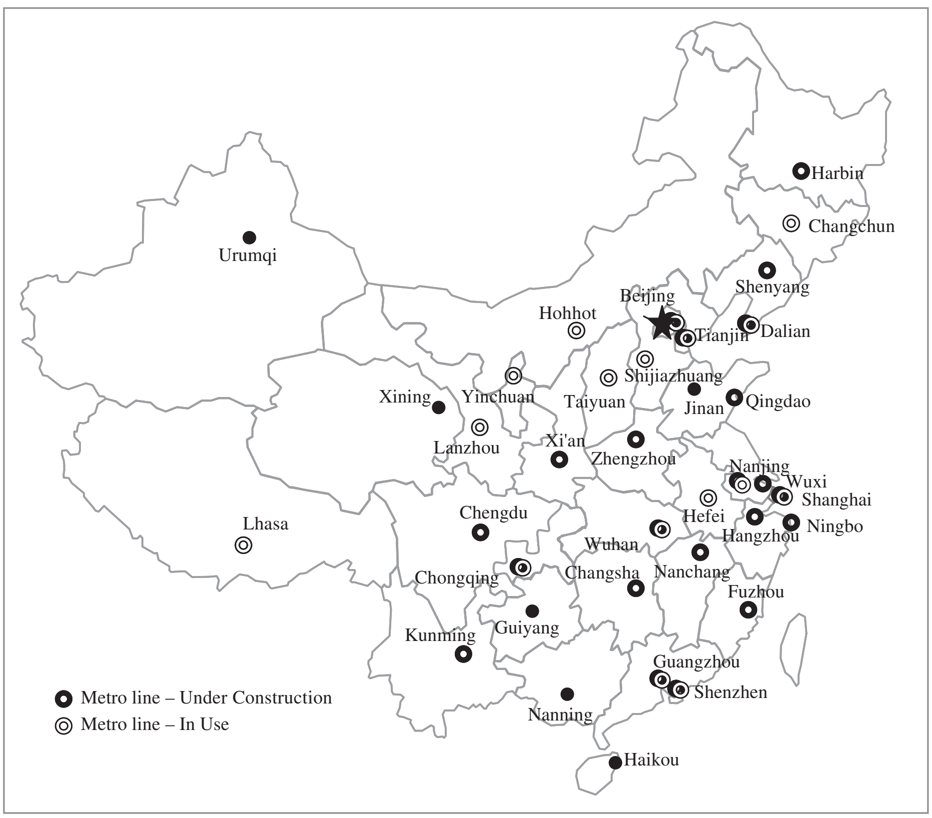
Rail way	Unit	2010E	2011E	2012E
Total Investment in China Railway Industry	RMB Billion	700	750	720
Operating Mileage	Thousand km	95	103	110
Total High Speed Rail Lines	Thousand km	10.0	14.9	21.4
Car Density	Car/km	0.44	0.46	0.48
Existing High Speed Trains	Car	4,387	6,875	10,251
New High Speed Trains Required	Car	1,619	2,488	3,376
Output of High Speed Trains	Car	2,932	3,613	4,633
Aluminium Extrusion Profile Consumption	Kilo tonnes	29.3	36.1	46.3

Source: Official data from MOR, CNR and CSR public information and CBI China interview

Metro rail

The urban metro rail transport industry in China is also developing rapidly. Spurred by the Notice to Expedite Urban Metro Transport Development & Construction released by the PRC State Council in 2003, more than 10 cities, including Beijing, Shanghai, Guangzhou, Shenzhen, Wuhan, Tianjin, Nanjing, Chongqing, Changchun, Dalian, have collectively built 31 metro lines as at the end of 2009. The PRC State Council has also approved metro rail planning of 23 cities by the end of 2009, with total investment of RMB882 billion, covering Beijing, Tianjin, Shanghai, Guangzhou, Shenzhen, Nanjing, Changchun, Hangzhou, Harbin, Shenyang, Chengdu, Wuhan, Xian, Chongqing, Ningbo, Wuxi, Changsha, Zhengzhou, Fuzhou, Kunming, Dalian, Nanchang and Qingdao. The diagram below shows the distribution of metro lines in China.

Metro Line Distribution in China



Source: CBI China

CBI China estimates that the total metro line operating mileage has reached 961 km at the end of 2009. According to the World Metro Rail Summit held in Shanghai in May 2010, a total of 40 cities with a cumulative metro line operating mileage of 3,000 km is expected to be installed in China by 2015; the metro line operating mileage will have a CAGR of 21% from 2009 to 2015, making China the largest urban metro transportation market. The table below provides an overview of the development of China's urban metro line industry from 2007 to 2009.

Overview of the PRC Metro line Industry

Metro Line	Unit	2007	2008	2009
Total Operating Mileage	Km	730	780	961
First-tier Cities	Km	504	554	735
Other Cities	Km	226	226	226
New Metro Trains Required	Car	1,197	1,533	2,368
Output of Metro Trains	Car	1,197	1,533	2,368
Aluminium Train Percentage	%	50	55	56
Aluminium Extrusion Profile Consumption	Kilo tonnes	4.7	6.3	8.6

Source: Official data from MOR, CNR and CSR public information and CBI China interview

The table below illustrates CBI China's estimate of the overview of the PRC metro line industry in 2010, 2011 and 2012:

Metro Line	Unit	2010E	2011E	2012E
Total Operating Mileage	Km	1,403	1,785	2,291
First-tier Cities	Km	982	1,146	1,310
Other Cities	Km	421	639	981
New Metro Trains Required	Car	2,704	3,543	4,666
Output of Metro Trains	Car	3,123	4,104	4,824
Aluminium Train Percentage	%	62	63	65
Aluminium Extrusion Profile Consumption	Kilo tonnes	12.6	16.8	20.4

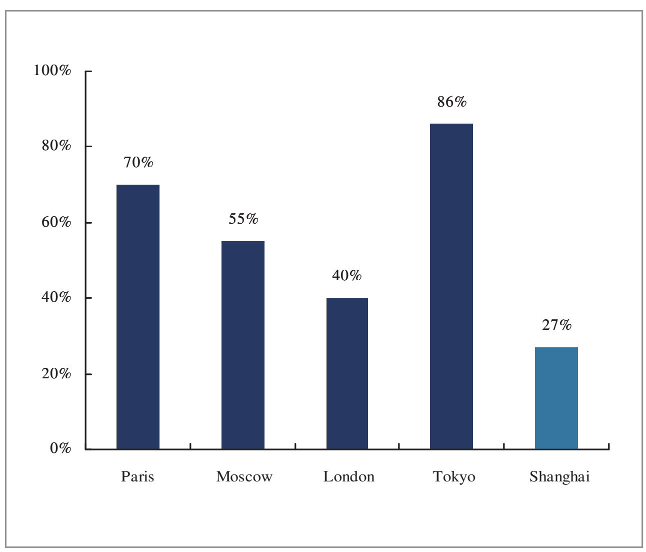
Source: Official data from MOR, CNR and CSR public information and CBI China interview

Although metro rail transportation is a necessity in most metropolises, the proportion of metro line passengers as against all other users of public transportation in China is still relatively much smaller than other international cities.

For example, at the end of 2009, of the 14.69 million person-trips made by all public transport users in Shanghai, approximately only 3.96 million person-trips were accounted for by Shanghai's metro line passengers. Shanghai's metro line passengers only comprise approximately 27% of all person-trips made on public transport. In other international cities, this percentage is on average above 50%. In Paris, the proportion of metro line passengers is 70% of the total number of public transportation users. The percentage of metro line users as against all public transportation users is 55% in Moscow, 86% in Tokyo and 40% in London.

The chart below illustrates the proportion of metro line passengers against the total number of public transport users for various countries.

Comparison of the Proportion of Metro Line Passengers to the Total Number of Public Transport Users



Source: Shanghai Municipal Transport and Port Authority

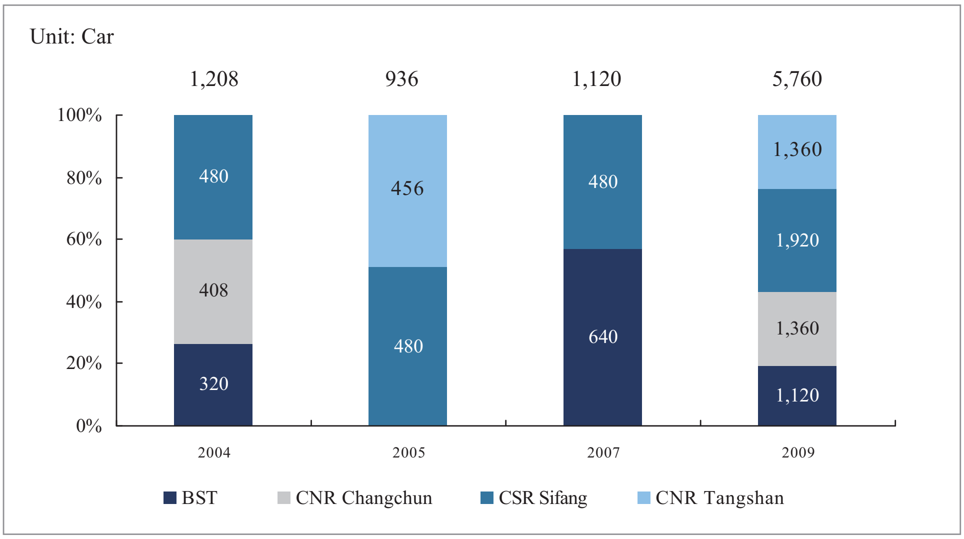
Major Rail Transport Projects in China

High speed Rail Projects

PRC train manufacturers began to produce high speed train cars since 2004, after the MOR initiated the Medium to Long Term Plan for Railway Network Development. The MOR did not award any high speed train car contracts in 2006 and 2008. While PRC train manufacturers were awarded contracts to produce 1208, 936 and 1120 high speed train cars in 2004, 2005 and 2007 respectively, the total number of high speed train cars contracts awarded in 2009 increased significantly to 5,760 train cars. These figures are based on initial public announcements by the MOR.

In 2009, contracts for high speed train cars surged to 5,760 train cars after the revised Medium to Long Term Plan for Railway Network Development was approved by the PRC State Council in the end of 2008, prompting the separation of passenger transport from freight transport on major rail lines and the construction of a passenger railway network of four west-eastern lines and four north-southern lines.

High speed Train Car Contracts Distribution in the PRC(1)



Note: Based on the initial announcements of projects made by MOR

(1) The MOR did not award any high speed train car contracts in 2006 and 2008

Source: CBI China Interview and MOR

17 high speed train car contracts were awarded in the period between 2004 and 2009. Among them, the largest contract valued at RMB38.1 billion for "CRH3D, 380km/h" was awarded to CNR Changchun and CNR Tangshan. The second largest contract valued at RMB33.4 billion for "CRH2-350, 350km/h" was awarded to CSR Sifang Vehicle. Both projects were contracted in 2009 and would be delivered between 2010 and 2012.

The following table lists details of the 17 high speed train contracts awarded between 2004 and 2009.

China High Speed Train Cars Contracts Awarded by the MOR to High Speed Train Manufacturers (2004~2009)

Item	Project Name	Contract Date	Delivery Date	Contract Value, Billion RMB	Train Sets	Train Cars	Train Manufacturers
1.	CRH1A 200km/h	Oct-04	Feb-07 to Mar-09	5.6	40	320	BST
2.	CRH2A 200km/h	Oct-04	Mar-06 to Jan-07	8.5	51	408*	CSR Sifang
3.	CRH5A 250km/h(1)	Oct-04	Apr-07 to Dec-09	6.3	51	408*	CNR Changchun
4.	CRH2C1 300km/h	Jun-05	2008 to 2009	3.3	30	240	CSR Sifang
5.	CRH2C2 350km/h	Jun-05	2010	3.3	30	240	CSR Sifang
6.	CRH3C 350km/h(1)	2005	Jun-08 to Dec-09	11.4	57	456*	CNR Tangshan
7.	CRH1B 250km/h	Oct-07	Mar-09 to 2010	5.6	20	320	BST
8.	CRH1E 250km/h	Oct-07	May-09 to Aug-10	5.6	20	320	BST
9.	CRH2B 200km/h	2007	Jun-08 to Aug-08	3.0	10	160	CSR Sifang
10.	CRH2E 250km/h	2007	Dec-08	6.0	20	320	CSR Sifang
11.	CRH1-350, longer set, 350km/h(1)	Jun-09	Jul-12 to Sep-14	23.5	60	960	BST
12.	CRH1-350 350km/h(1)	Jun-09	Jul-12 to Sep-14	3.9	20	160	BST
13.	CRH2-350, longer set, 350km/h	2009	2010~2011	33.4	100	1,600	CSR Sifang
14.	CRH2-350 350km/h	2009	2010~2011	4.5	40	320	CSR Sifang
15.	CRH3D 380km/h(1)	2009	2011~2012	38.1	100	1,600	CNR Tangshan & CNR Changchun
16.	CRH3, longer set, 350km/h(1)	2009	2011~2012	15.2	40	640	CNR Changchun
17.	CRH3 350km/h(1)	2009	2011~2012	11.4	60	480	CNR Tangshan & CNR Changchun

Notes: The above list is based on government released figures and subsequent additional orders that were announced may not be reflected here. The above list does not include unreleased figures relating to subsequent additional cars ordered.

Item 3: Although there were a total of 60 sets in these projects, 9 sets were imported either in the form of completed sets or in the form of components. It is reported that an additional 30 sets were awarded to CRH5A in 2009.

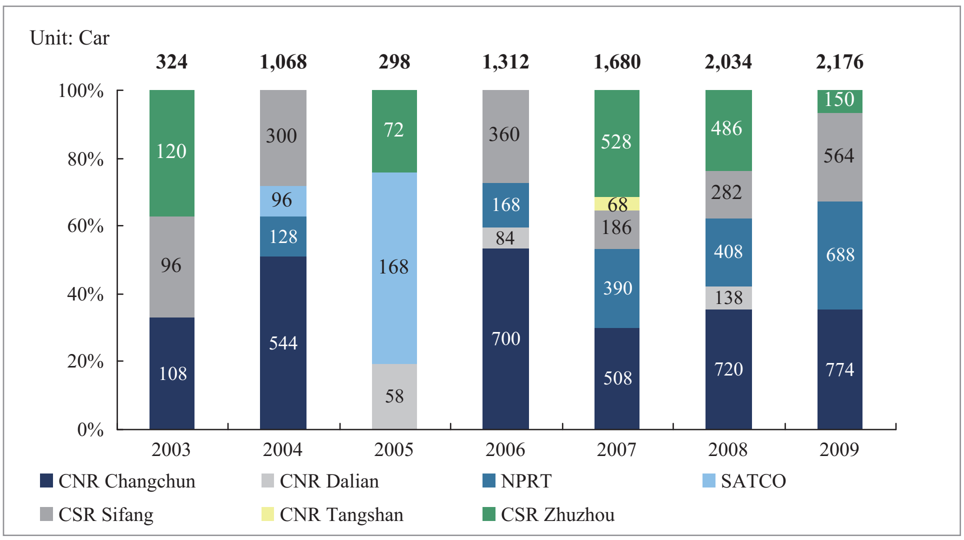
Item 6: Although there were a total of 60 sets in this project, 3 sets were imported from Germany.

(1) Contracts in which our Company is involved by way of supplying aluminium alloy extrusion profiles, as announced on the website of the SGX-ST and the Company's website. Note that not all contracts announcements are available on the SGX-ST website, as only announcements for the past 24 months are available.

Metro Projects

According to the Notice to Expedite Urban Metro Transport Development and Construction released by the PRC State Council in 2003, a city could only apply for metro development if it had local fiscal income of above RMB10 billion, GDP above RMB100 billion, an urban population above 3 million, and one-way peak metro passenger traffic of above 30 thousand per hour. 50 cities qualified by the end of 2009, with 23 of them approved by the PRC State Council. The approved cities have started to implement their urban metro transport plans.

Metro Train Contracts Distribution in China



Source: CBI China

From 2003 to 2009, metro train car manufacturers in the PRC were awarded 66 order contracts for 8,892 metro train cars. 45 of these contracts comprised mainly aluminium train cars.

The following table lists details of aluminium metro train contracts awarded in the PRC between 2003 and 2009.

China Aluminium Metro Train Cars Contracts (2003-2009)

Item	Year	Project		Manufacturer		Train Cars Quantity
1	2003	Guangzhou	No.3 metro line(1)	CSR	CSR Zhuzhou	120
2	2003	Guangzhou	No.1 metro line superaddition	CNR	CNR Changchun	48
3	2003	Shanghai	No.1 metro line superaddition	CNR	CNR Changchun	60
4	2004	Changchun	Phase 2 light railway(1)	CNR	CNR Changchun	120
5	2004	Guangzhou	No.4 & No.5 metro lines	CSR	CSR Sifang	300
6	2004	Guangzhou	No.1 & No.2 superaddition	CNR	CNR Changchun	48
7	2004	Shanghai	Extension line of No.1 metro line(1)	CSR	CSR Nanjing Puzhen	128
8	2004	Shanghai	West extension line of No.2 metro line(1)	SATCO	SATCO	96
9	2004	Tianjin	No.1 metro line(1)	CNR	CNR Changchun	100
10	2004	Chongqing	Light railway line Jiaoxin	CNR	CNR Changchun	84
11	2005	Shanghai	No.1 metro line superaddition(1)	CSR	CSR Zhuzhou	72
12	2005	Shanghai	No. 8 metro line Yangpu(1)	SATCO	SATCO	168
13	2006	Beijing	Capital airport line	CNR	CNR Changchun	40
14	2006	Shanghai	First for west extension line of No.2 metro line superaddition(1)	CSR	CSR Nanjing Puzhen	96
15	2006	Shanghai	Second for west extension line of No.2 metro line superaddition(1)	CSR	CSR Nanjing Puzhen	72
16	2006	Shanghai	No.9 metro line(1)	CNR	CNR Changchun	306
17	2006	Shenzhen	Phase 1 superaddition	CNR	CNR Changchun	24
18	2006	Shenyang	Phase 1 of No.1 metro line	CNR	CNR Changchun	138
19	2006	Wuhan	Phase 1 of No.1 metro line	CNR	CNR Changchun	48
20	2007	Guangzhou	Extension line of No.2 & No.8 metro lines(1)	CSR	CSR Zhuzhou	180
21	2007	Nanjing	Phase 1 of No.2 metro line(1)	CSR	CSR Nanjing Puzhen	144
22	2007	Shanghai	Phase 1 of No.11 metro line north stage(1)	CSR	CSR Zhuzhou	348

Item	Year	Project		Manufacturer		Train Cars Quantity
23	2007	Shanghai	No.10 metro line(1)	CSR	NPRT	246
24	2007	Shanghai	No.7 metro line(1)	CNR	CNR Changchun	192
25	2007	Shanghai	No.6 metro line(1)	CNR	CNR Changchun	168
26	2007	Tianjin	Superaddition for coastal light railway	CNR	CNR Changchun	36
27	2008	Changchun	Phase 2 & 3 for light railway(1)	CNR	CNR Changchun	240
28	2008	Guangzhou	North extension line for No.3 metro line (airport line)(1)	CSR	CSR Zhuzhou	150
29	2008	Nanjing	South extension line of No.1 metro line(1)	CSR	NPRT	126
30	2008	Nanjing	Four train sets of south extension line of No.1 metro line(1)	CSR	NPRT	24
31	2008	Nanjing	East extension line for No.2 metro line(1)	CSR	NPRT	66
32	2008	Shanghai	Superaddition for No.1 metro line	CSR	CSR Zhuzhou	96
33	2008	Shanghai	East extension line for No.2 metro line(1)	CSR	NPRT	192
34	2008	Shenzhen	Superaddition for No.1 metro line(1)	CSR	CSR Zhuzhou	156
35	2008	Shenzhen	Phase 1 of No.2 metro line	CNR	CNR Changchun	60
36	2008	Shenyang	No.2 metro line	CSR	CSR Sifang	120
37	2008	Tianjin	No.3 metro line	CSR	CSR Sifang	162
38	2008	Wuhan	Phase 2 of No.1metro line	CSR	CSR Zhuzhou	84
39	2008	Pearl River Delta	Guangzhou Foshan section	CNR	CNR Changchun	108
40	2009	Hangzhou	No.1 metro line(1)	CSR	NPRT	288
41	2009	Shanghai	No.12 metro line	CNR	CNR Changchun	246
42	2009	Shenzhen	No.5 metro line (Huanzhong Line)	CSR	CSR Zhuzhou	150
43	2009	Shenzhen	Phase 2 of No.4 metro line(1)	CSR	NPRT	112
44	2009	Suzhou	No.1 metro line	CSR	NPRT	96
45	2009	Pearl River Delta	Guangzhou-Dongguan-Shenzhen & Dongguan-Huizhou projects(1)	CSR	NPRT	192

Notes: The table above includes a small number of stainless steel metro train contracts. It is not possible to ascertain the exact number of these stainless steel metro train contracts from public sources.

(1) Contracts in which our Company is involved by way of supplying aluminium alloy extrusion profiles, as announced on the website of the SGX-ST and the Company's website. Note that not all contracts announcements are available on the website of the SGX-ST, as only announcements for the past 24 months are available.

Major Train Manufacturers in China

As of 30 June 2010, major train manufacturers in China are subsidiaries and joint-ventures of China CNR Corporation Limited (CNR), China South Locomotive & Rolling Stock Corporation, Limited (CSR) and Shanghai Alstom Transport Co., Ltd (SATCO).

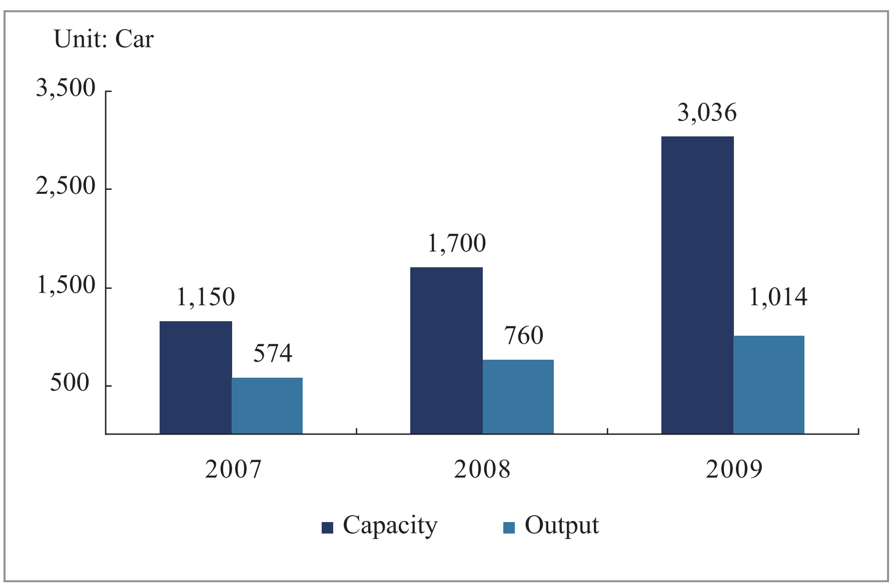
High Speed Train Car Manufacturers in the PRC

As of 30 June 2010, there are four high speed train car manufacturers in the PRC, namely BST, CSR Sifang, CNR Changchun and CNR Tangshan, of which CNR Changchun and CSR Sifang have larger production capacities.

Of the four high speed train car manufacturers, CSR Sifang, CNR Changchun and CNR Tangshan are licensed by MOR to bid for national high speed train projects.

The table below shows the capacities and output of high speed train car manufacturers in the PRC for the period from 2007 to 2009.

Capacities and Output of High speed Train Car Manufacturers in the PRC for the Period from 2007 to 2009

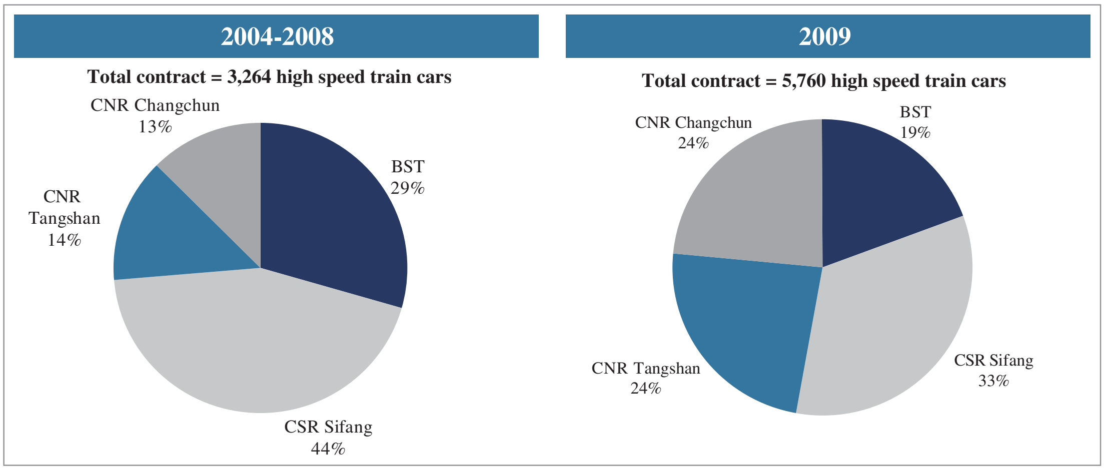


Source: Public company information & CBI China

CSR Sifang was awarded the largest number of contracts in 2009, obtaining contracts for 1,920 high speed train cars, 33% of the total number of contracts awarded. The other three manufacturers shared the remaining number of contracts broadly. Contracts of CNR increased from 27% in the period of 2004-2008 to 48% in 2009.

The chart below illustrates the distribution of high speed rail train car contracts between the major manufacturers in the PRC.

Major Manufacturers' Share of High Speed Train Car Contracts



Note: Based on the initial announcements of projects made by MOR

Source: MOR and CBI China

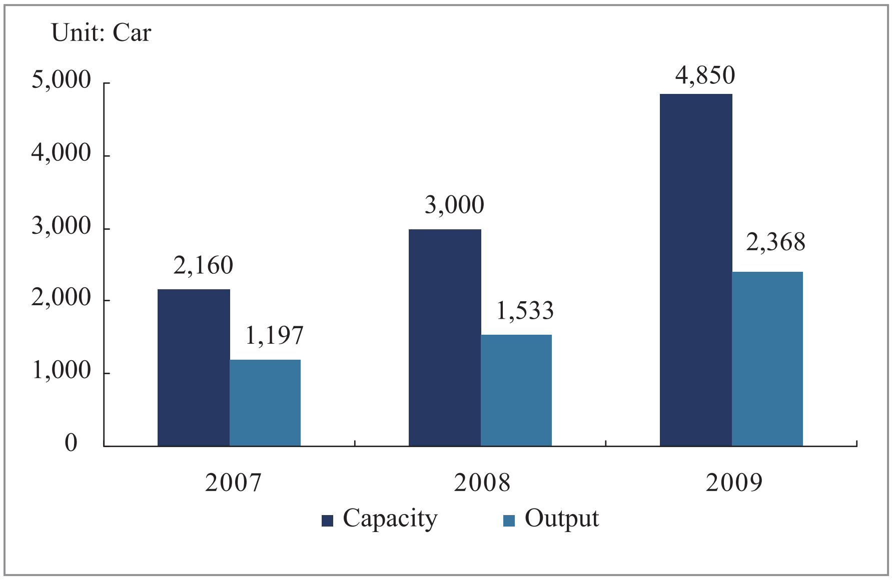
Metro Train Car Manufacturers

As of 30 June 2010, there are eight metro train car manufacturers in China, namely, CNR Changchun, CNR Tangshan, CNR Dalian, CSR Zhuzhou, NPRT, CSR Sifang, Changchun Bombardier and SATCO. CNR Changchun is the largest metro train car manufacturer in terms of production capacity. Its production capacity of metro train cars will further grow to 1,000 per year after completion of Phase 2 of its Railway Car Industry Park in 2010.

Of the eight metro train car manufacturers, CSR Zhuzhou, NPRT, CSR Sifang and CNR Changchun are licensed by NDRC to bid for national metro train projects.

The chart below shows the capacities and output of metro train car manufacturers in the PRC for the period of 2007 to 2009.

Capacities and Output of Metro Train Car Manufacturers in the PRC for the Period of 2007 to 2009

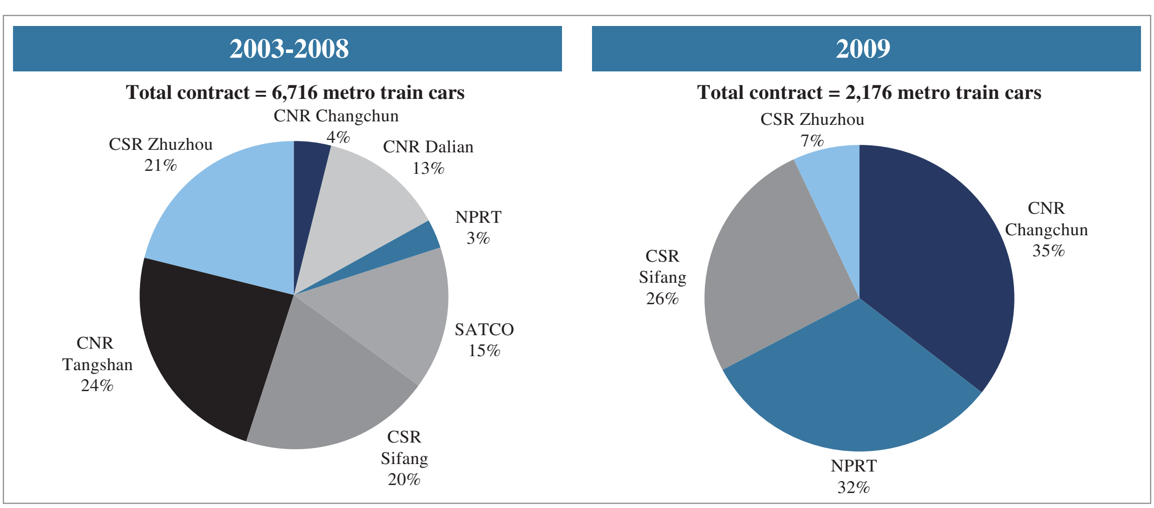


Source: Public company information & CBI China

As a result of the large number of contracts awarded in 2008, total metro train car output reached 2,368 in 2009, increasing by 55% from the year before. Among the major manufacturers, CSR Zhuzhou and CNR Changchun produced the most metro train cars, with output numbers at 500 and 468 train cars respectively.

The chart below illustrates the distribution of metro line train car contracts awarded to the major metro train car manufacturers in the PRC.

Major Manufacturers' Share of Metro Train Car Contracts



Note: Based on the initial announcements of projects made by MOR

Source: MOR and CBI China

OUR HISTORY AND DEVELOPMENT

Our Group was founded by Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick in 2000. They sought out business opportunities in the PRC, which arose from the various infrastructure developments proposed or undertaken by the PRC government.

Green Oasis and NE Industries were established in 2000. In 2001, NE Industries established Jilin Midas to acquire production facilities in order to commence production of aluminium alloy extrusion products. In 2002, we established our PE Pipes Division through the acquisition of Wanshida by Green Oasis. In addition to the personal investments by Mr. Chen and Mr. Chew, which were funded through a combination of their personal wealth and savings, additional minority investors were introduced who provided funding for the acquisitions of these companies via loans made to Green Oasis and NE Industries.

Pursuant to a restructuring exercise undertaken in connection with our listing on the SGX-ST SESDAQ in 2004, our Company acquired all of the shares and shareholder loans in Green Oasis and NE Industries from Mr. Chen, Mr. Chew and the other minority investors.

Our Company incorporated our wholly-owned subsidiary, Midas Ventures, for the trading of aluminium alloy plates and its related products on 3 June 2004. In November 2005, we established our wholly-owned subsidiary, Midas Beijing to handle the import, export and wholesale of aluminium alloy, PE Pipes, metal materials and other related products.

We were transferred to the Main Board of the SGX-ST on 7 September 2006.

Aluminium Alloy Division – Establishment of Jilin Midas

NE Industries established Jilin Midas on 12 April 2001, as a WFOE under the laws of the PRC. In 2001, Jilin Midas acquired certain assets comprising mainly the 75MN aluminium alloy extrusion press, ancillary equipment, land use rights and building from Liaoyuan City Aluminium Factory, for a consideration of approximately RMB91 million. The consideration for the acquisition was determined based on a valuation report issued by Jilin Yuanda Certified Public Accountants. Liaoyuan City Aluminium Factory was a former state-owned enterprise which was engaged in the business of manufacturing aluminium alloy pipes and which the Company understands that it has since been deregistered. Mr Wang Jia Xin, General Manager of Jilin Midas, previously held the positions of head of Technical Department and Factory Manager of Liaoyuan City Aluminium Factory from 1984 to early 2001, before joining our Group. Save as disclosed above and so far as our Directors are aware, Liaoyuan City Aluminium Factory does not have any relationship with any Shareholders, Directors or senior management of our Group, any of our subsidiaries or their respective associates.

Following the acquisition, Jilin Midas began producing aluminium alloy extrusion products at our factory in Liaoyuan City, Jilin Province in September 2001. Set out below are the key milestones in the development of Jilin Midas since its establishment:

- In June 2003, Jilin Midas entered into a contract with Siemens to supply aluminium alloy extrusion products for the manufacture of MRT trains for the Shanghai Pearl Line Project.

- In July 2003, Jilin Midas entered into a contract with Alstom to supply aluminium alloy extrusion profiles to Alstom over a period of two years for the manufacture of trains for the Circle Line project in Singapore. Jilin Midas made its first shipment in October 2003.

- In 2004, Jilin Midas was awarded the "Quality Focus Global Sourcing Grade "A" International Certification" by Alstom.

- In 2005, Jilin Midas entered into a contract with CNR Changchun, in collaboration with Alstom, to supply aluminium alloy extrusion profiles for the train car bodies for the Regional Line Phase I EMU Project, the first high speed train line in the PRC. In addition to supplying to high speed train projects, Jilin Midas was also appointed as the main supplier for a number of metro train projects in the PRC, including the Shanghai Metro Line 9 Project, Shenzhen Metro Line 1 Extension Project and Nanjing Metro Line 2 Project.

- In October 2005, Jilin Midas was appointed a preferred global long-term supplier of aluminium alloy products for Siemens.

- In December 2005, Jilin Midas was certified as an approved supplier to Changchun Bombardier, a joint venture established by Bombardier and CNR Changchun.

- In February 2007, Jilin Midas began its expansion into the international market when it entered into two international contracts from Siemens to supply aluminium alloy extrusion profiles for the Desiro Mainline Project for the European and ex-European markets and the Valero Rus Project in Russia. It also entered into an additional contract as supplier for the Helsinki – St. Petersburg high speed train project.

- In 2008, Jilin Midas entered into four new contracts to supply aluminium alloy extrusion profiles for train cars in the PRC, namely, the Shanghai Metro Lines 6 and 8 Projects, the Shanghai Metro Line 10 Project, the Shanghai Metro Line 11 Project and the Guangzhou Metro Lines 2 and 8 Projects.

- In 2008, Jilin Midas entered into two international contracts for the Incheon International Airport Railroad Project in South Korea and the RS-Citadis Project in Europe.

- In 2008, Jilin Midas became the first aluminium alloy extrusion products supplier in the PRC to be selected by Alstom for its "Leading Partners 150" Programme, a programme by Alstom to identify 150 suppliers globally as preferred suppliers for all projects undertaken by Alstom.

- In December 2008, Jilin Midas entered into an assets transfer agreement with Liaoyuan Jiali Light Alloys Co., Limited (遼源佳利輕合金有限公司) ("**Liaoyuan Jiali**") for the acquisition of certain assets consisting of land, buildings, ancillary facilities, machineries and equipment from Liaoyuan Jiali for RMB168 million. The consideration for the acquisition was subsequently reduced to RMB158 million as the Company did not acquire part of the land which covered an area of 30,000 square metres. The acquisition of assets from Liaoyuan Jiali enabled our Company to add a new production facility, as part of our Company's strategy to expand the production capacity of our Aluminium Alloy Division. Liaoyuan Jiali is principally engaged in the sale and production of aluminium and aluminium alloy products, which involves processes such as casting, extrusion, compression, extraction, machining and welding, as well as the sale and production of magnesium and magnesium alloy products, which involves processes such as casting, rolling and machining. So far as our Directors are aware, Liaoyuan Jiali does not have any relationships with any of our Shareholders, Directors or senior management of our Group, any of our subsidiaries or their respective associates.

- In May 2009, Jilin Midas was awarded the IRIS certification, an internationally recognised certification for the evaluation of management systems in the railway sector.

- In June 2009, Jilin Midas entered into two contracts awarded by CNR Changchun and CNR Tangshan to supply aluminium alloy extrusion profiles for the inter-city high speed train "CRH3-380" project. In the same month, Jilin Midas entered into an additional three contracts for inter-city high speed train projects. In October 2009, it entered into an additional contract for the second round of tender for the "CRH3-380" project.

- In January 2010, Jilin Midas entered into two contracts to supply aluminium alloy extrusion profiles for train cars for two metro projects, namely, the Shenzhen Line 4 project as well as the Downtown Line project in Singapore.

- In January 2010, Jilin Midas entered into a contract awarded by Bombardier Sifang (Qingdao) Transportation Ltd to supply aluminium alloy extrusion profiles for train cars for the "CRH1" 350 – 380km/h EMU high speed train project.

- In June 2010, Jilin Midas entered into a contract awarded by CNR Changchun to supply aluminium alloy extrusion profiles, including fabricated parts, for train cars for the "CRH5 EMU" inter-city high-speed train project.

- In July 2010, Jilin Midas entered into two contracts to supply aluminium alloy extrusion profiles for two metro projects, namely, the Pearl River Delta Inter-City Train Project (Dongguan – Shenzhen Section) and Dongguan – Huizhou Inter-City Train Project as well as the Hangzhou Metro Line 1 Project.

In 2006, we began to implement our strategy of expanding our aluminium alloy extrusion production capacity when our second production line, equipped with a 55MN extrusion press, commenced operations.

In line with our strategy to develop into an integrated rail transport components supplier, we entered into our first three maiden downstream fabrication services contracts in the second half of 2009.

PE Pipes Division – Establishment of Wanshida

Green Oasis acquired Wanshida from Jilin Tianxin Commerce and Trade Co., Ltd (吉林省天信經貿有限公司) and Jilin Hanwei Industrial Co., Ltd (吉林省漢維實業有限公司) pursuant to an equity transfer agreement dated 1 July 2001 which took effect on 2 April 2002 for a consideration of RMB14 million. As a result of the acquisition, Wanshida was converted into a WFOE on 11 April 2002. Wanshida continued to manufacture Water and Gas PE Pipes for its traditional markets of water and gas networks after the acquisition. In January 2003, our PE Pipes and joints were awarded the ISO9001:2000 certification.

Agency and Procurement Division

In November 2005, we set up a new wholly-owned subsidiary, Midas Beijing as our Agency and Procurement Division to handle the import, export and wholesale of aluminium alloy, PE Pipes, metal materials and other related products. In 2009, we ceased all business operations of our Agency and Procurement Division to focus on our core business through our Aluminium Alloy Division.

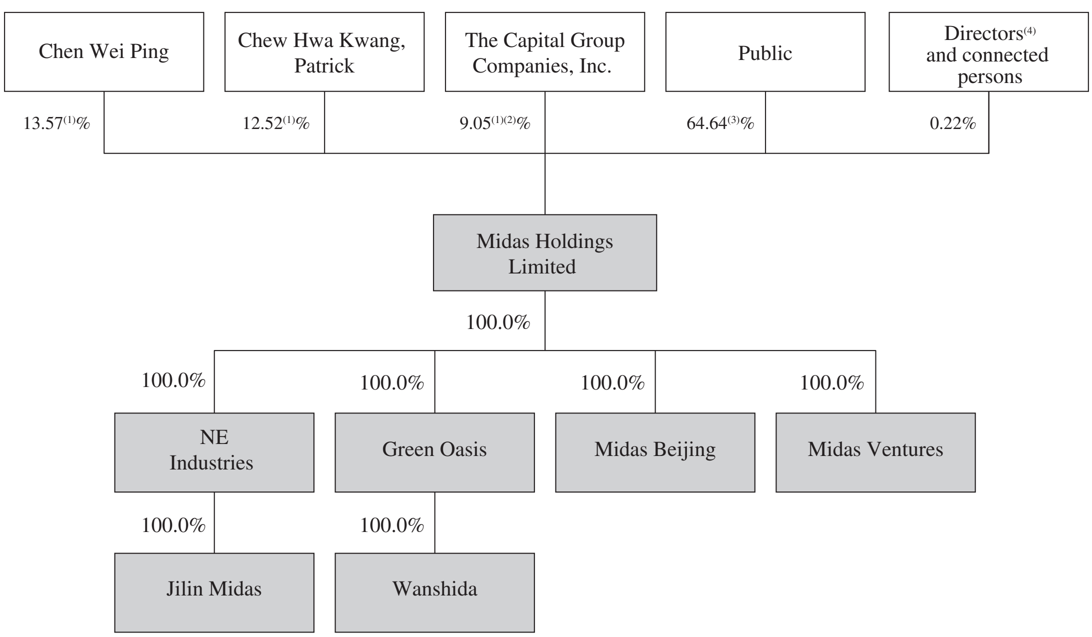
Joint Venture in NPRT

In 2006, we ventured into metro train manufacturing through the establishment of our associate company, NPRT, in which we hold a 32.5% stake. We are currently represented by two directors, out of a total of seven directors, on the board of NPRT. NPRT is involved in the development, manufacturing and sale of metro trains, bogies and their related parts and is one of the four Licensed Metro Manufacturers licensed to undertake metro train projects on a nationwide basis in the PRC.

NPRT commenced commercial production in January 2007. In the same year, our Aluminium Alloy Division entered into a Master Supply Agreement with NPRT to supply aluminium alloy profiles for at least five metro train projects secured by NPRT up to 31 December 2010.

CORPORATE AND SHAREHOLDING STRUCTURE OF OUR GROUP PRIOR TO THE GLOBAL OFFERING

The following chart sets out the corporate and shareholding structure of our Group as at the Latest Practicable Date:



(1) Excluding 1,000,000 treasury Shares in the capital of our Company.

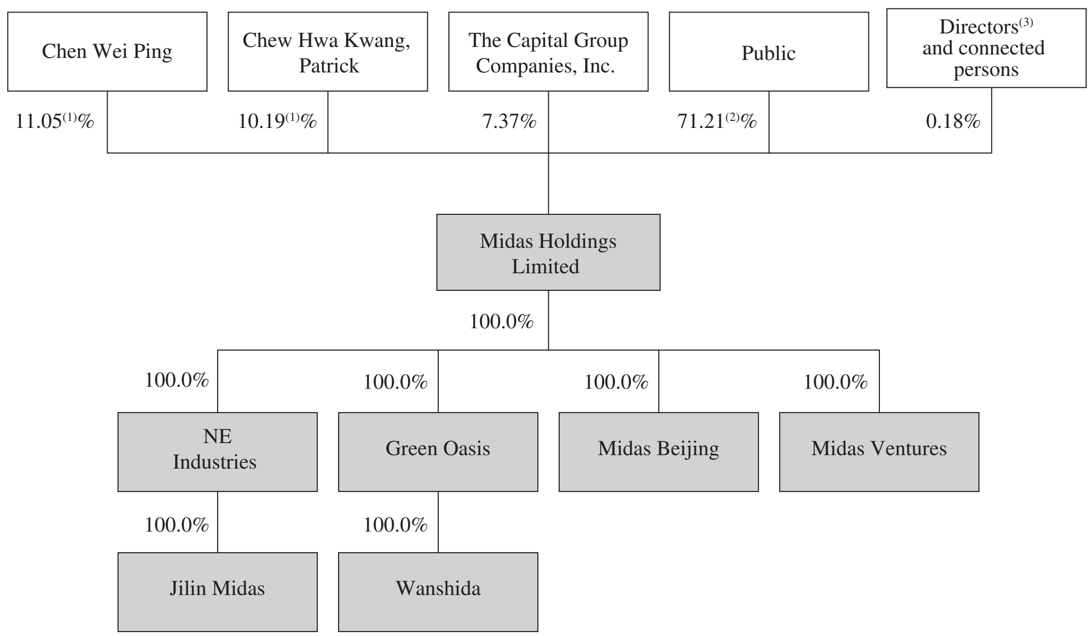
(2) The shareholding percentage of The Capital Group Companies, Inc. is based on the information published on the SGX-ST as at the Latest Practicable Date.

(3) Excluding the shareholdings of Directors (apart from Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick) and the Company's connected persons.

(4) Directors apart from Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick and connected persons other than associates of either of them.

CORPORATE AND SHAREHOLDING STRUCTURE OF OUR GROUP IMMEDIATELY UPON COMPLETION OF THE GLOBAL OFFERING

The following chart sets out the corporate and shareholding structure of our Group immediately upon completion of the Global Offering (assuming that the Over-allotment Option and all outstanding Options are not exercised):



(1) Excluding 1,000,000 treasury Shares in the capital of our Company and based on the respective shareholdings of Mr. Chen Wei Ping, Mr. Chew Hwa Kwang, Patrick and The Capital Group Companies, Inc. as at the Latest Practicable Date based on information published on the SGX-ST, assuming no changes to their respective shareholdings immediately following thereafter.

(2) Excluding the shareholdings of Directors (apart from Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick) and the Company's connected persons.

(3) Directors apart from Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick and connected persons other than associates of either of them.

OVERVIEW

We are the leading manufacturer of aluminium alloy extrusion products for the passenger rail transportation sector in the PRC. In 2009, we commanded a 66% share of the PRC market for aluminium alloy extrusion products used in the production of high speed trains and metro train car bodies based on sales revenue, according to CBI China. We are engaged in a specialised industry with engineering expertise, often on a project-by-project basis. The PRC market for aluminium alloy extrusion products used in the production of high speed trains and metro train car bodies forms part of the PRC market for aluminium alloy extrusion products. We are one of the first and amongst the few in the aluminium alloy extrusion industry in the PRC to possess capabilities for the downstream fabrication of passenger train car bodies. We have an established track record of supplying aluminium alloy extrusion products to train manufacturers in the rapidly growing passenger rail transportation sector in the PRC since 2003. We also export aluminium alloy extrusion products internationally and have been involved in a considerable number of train projects in Europe and Asia. During the Track Record Period, our revenue was primarily derived from sales of aluminium alloy extrusion products for the passenger rail transportation sector in the PRC whereas contribution from international sales during the same periods was relatively insignificant. In recognition of our consistently high product quality, we have been awarded numerous important certifications and awards in the PRC and internationally.

Our customer base consists of all of the five domestic Licensed Train Manufacturers. In particular, we have been a long-term supplier to CNR Changchun, CNR Tangshan and CSR Zhuzhou from as early as 2003, and NPRT since 2007. Some of these customers belong to the same group of companies, such as CNR and CSR. CNR contributed 25.9%, 38.5%, 30.4% and 41.2% to our total revenue from continuing operations for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively, while CSR contributed 8.3%, 18.6%, 17.5% and 23.5% to our total revenue from continuing operations during the same periods. We also export our products to the top three global train manufacturers, namely, Alstom, Siemens and Bombardier although our international sales during the Track Record Period did not contribute a substantial proportion to our total revenue during the same periods. The aggregate revenue contribution from international sales made to the top three global train manufacturers (Alstom, Siemens and Bombardier) accounted for 4.5%, 3.6%, 4.5% and 2.3%, respectively, of our total revenue from continuing operations for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively. As far as we are aware, two of the three global train manufacturers, namely Bombardier and Alstom, have a presence in the PRC through joint ventures with PRC train manufacturers.

We have received numerous awards and accreditations from the PRC government and well-known organisations in the PRC and internationally, evidencing our superior quality standards and quality management systems. "Midas" was named "2007 China's Top Brand" by the General Administration of Quality Supervision, Inspection and Quarantine of the PRC, the only aluminium alloy extrusion manufacturer to be awarded under the relevant category. According to CBI China as at 30 June 2010, we are one of the only two aluminium alloy extrusion products suppliers in the PRC in our business category to be awarded the IRIS certification, an internationally recognised certification for the evaluation of management systems in the rail transportation sector. We are also certified to supply to two of the top global train manufacturers, Alstom and Siemens, as well as to Changchun Bombardier. We believe that our ability to meet stringent international quality standards confers a significant competitive advantage in securing new contracts from our existing customers both in the PRC and internationally, and is a significant factor in contributing to the growth and profitability of our Aluminium Alloy Division.

We are one of only six companies and the only aluminium alloy extrusion products manufacturer in Asia to be included in the Forbes Asia's "*Best Under A Billion*" list for four consecutive years from 2006 to 2009 in recognition of our consistent growth and profitability. More recently, on 10 May 2010, we were awarded the Singapore Corporate Awards "Best Investor Relations Award (Gold)" for 2010 in the "S$300 million to less than S$1 billion market capitalisation" category. This is one of only five awards that make up the Singapore Corporate Awards, which was launched in 2006 and is organised by The Business Times and supported by the SGX-ST. This award is a testament of our continuous efforts in adhering to investor relations best practice.

We have been engaged in the production of aluminium alloy extrusion products since 2001 through our wholly-owned subsidiary, Jilin Midas. The Aluminium Alloy Division is our principal business division and accounted for 88.8%, 91.7%, 95.4% and 96.7% of our total revenue from continuing operations for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively. The majority of our revenue from our Aluminium Alloy Division during the Track Record Period was generated from sales of our aluminium alloy extrusion products to the passenger rail transport industry which accounted for 52.1%, 64.3%, 64.8% and 69.6% of the total revenue of our Aluminium Alloy Division for the three years ended 31 December 2007, 2008 and 2009, and the three months ended 31 March 2010, respectively, whereas revenue from sales of our products to power industry and other industries comprised 47.9%, 35.7%, 35.2% and 30.4% of the total revenue of our Aluminium Alloy Division for the same periods respectively.

We manufacture large-section and high-precision aluminium alloy extrusion products which are used primarily in the body frames of high speed trains and metro trains. Our aluminium alloy extrusion products are also used in components for other end-products such as power distribution cables, industrial equipment, ships and freight wagons. Our aluminium alloy extrusion products are manufactured on a customised basis in accordance with our customers' specifications and quality standards. In addition to the production of aluminium alloy extrusion products, our Aluminium Alloy Division also provides downstream fabrication services, including welding, machining and bending of aluminium alloy extrusion parts, to process train car body components in accordance with our customers' specifications.

As at 30 June 2010, there are a total of eight market players supplying large-section aluminium extrusion products in the PRC passenger rail transport industry. No particular certification is required under PRC laws and regulations for the supply of aluminium extrusion products to the PRC passenger rail transport industry. Notwithstanding this, as mentioned above, we have been awarded the IRIS certification and are also certified to supply to Alstom, Siemens and Changchun Bombardier, which is testament to our superior quality standards and quality management systems. According to CBI China, the total market size of and our market share in the PRC market for aluminium alloy extrusion products used in the PRC passenger rail transportation industry was RMB353.3 million, RMB453.7 million, and RMB575.5 million, and 75%, 83% and 66%, respectively, for the three years ended 31 December 2007, 2008 and 2009. During the same period, our market shares in the PRC overall aluminium semis industry and aluminium extrusion product sector are insignificant (less than 1% based on estimates by CBI China), since our business focus is, and will continue to be, on the PRC passenger rail transport industry.

We use aluminium alloy billets as raw material in our manufacturing processes, which accounted for a significant portion of our cost of sales for our Aluminium Alloy Division during the Track Record Period. We are therefore vulnerable to fluctuations in the price of aluminium alloy billets. For an overview of the fluctuation in aluminium price, please refer to the section headed "Industry Overview – Aluminium Alloy Extrusion Market in the PRC Passenger Rail Transport

Industry – Price of Aluminium Raw Material" in this prospectus for more detailed information. To mitigate our raw material price risks, we enter into fixed-price and "cost-plus" contracts with our customers, thus substantially lock in our gross profit under these contracts. Accordingly, our Company's business is engaged on a contract basis, including fixed-price contracts and cost-plus contracts.

As at 30 June 2010, the aggregate outstanding unrealised contract value for contracts entered into by our Aluminium Alloy Division was approximately RMB1.5 billion. We expect continued strong demand to stem from new high speed and metro train projects in the PRC. To meet the anticipated rapid growth in demand, we are in the process of significantly expanding our production capacity through investment in new production lines. As at 31 December 2009, we operated two aluminium alloy extrusion production lines with a total annual production capacity(1) of 20,000 tonnes. We expect to increase our annual aluminium alloy extrusion production capacity(1) to 50,000 tonnes by the end of 2010 with the addition of three new production lines. As at 31 December 2009, we operated one downstream fabrication line which is able to process train car body components for approximately 300 train cars per annum. We expect to increase our downstream fabrication production capacity(2) to be able to process train car body components for approximately 1,000 train cars by the end of 2010 with the addition of two new downstream fabrication lines. As at 31 March 2010, our capital commitment for the three additional extrusion production lines and two downstream fabrication lines was approximately S$50 million, which will be funded by a combination of the proceeds of the share placement of 120,000,000 Shares that the Company completed in July 2009, internal cash resources, existing bank facilities and, where necessary, additional bank borrowings.

We also have a strategic investment in NPRT, an associate company engaged in the development, manufacturing and sale of metro trains, bogies and their related parts, in which we hold a 32.5% stake as the second largest shareholder. We are currently represented by two directors, out of a total of seven directors, on the board of NPRT. NPRT is one of only four Licensed Metro Manufacturers which produces metro trains in the PRC. Currently, we are the only aluminium alloy extrusion product manufacturer that has a significant strategic investment in the limited few Licensed Train Manufacturers in the PRC. We believe that our investment in NPRT enables us to tap directly into the fast growing metro train manufacturing market in the PRC, and is of strategic importance in facilitating our development into an integrated railway equipment components supplier. Our investment in NPRT contributed S$1.3 million, S$1.9 million, S$3.3 million and S$1.7 million to our profit before tax from continuing operations for the three years ended 31 December 2007, 2008 and 2009 and three months ended 31 March 2010, respectively.

In addition, we design, manufacture and install PE Pipes. We consider this a non-core business, and we currently have no plans for further expansion of this business division. Previously, we were also engaged in the trading of aluminium alloy plates and other metal products, but we ceased such trading activities in early 2009.

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(1) Our aluminium alloy extrusion production capacity stated is based on the optimal level of production of each production line (as recommended by the respective manufacturers) when used to produce large aluminium alloy extrusion profiles for train car bodies. For more details on our extrusion production capacity, see the section headed "Business – Our Business Divisions – Aluminium Alloy Division – Production Facilities – Extrusion Production Line" below.

(2) Our downstream fabrication line production capacity as stated is the current annual production capacity which is dependent on certain assumptions and factors, such as the specifications of machines being used in the production process. For more details on our fabrication production capacity, see the section headed "Business – Our Business Divisions – Aluminium Alloy Division – Production Facilities – Fabrication Production Line" below.

We are a public company incorporated in Singapore on 17 November 2000 (Registration No.: 200009758W). Our Company was listed on the SGX-ST SESDAQ on 23 February 2004 and transferred to the Main Board of the SGX-ST on 7 September 2006.

For the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, our revenue from continuing operations was approximately S$119.9 million, S$138.1 million, S$150.0 million and S$46.1 million, respectively. Our overall profit for the same periods (including both continuing and discontinued operations) was approximately S$31.9 million, S$32.7 million, S$37.5 million and S$9.9 million, respectively.

COMPETITIVE STRENGTHS

Our principal competitive strengths include the following:

Leading market position in supplying aluminium alloy extrusion products for the passenger rail transportation sector in the PRC

We are the market leader in supplying aluminium alloy extrusion products to the passenger railway industry in the PRC. In 2009, we commanded a 66% share of the PRC market for aluminium alloy extrusion products used in the production of high speed trains and aluminium metro train car bodies based on sales revenue according to CBI China. The PRC market for aluminium alloy extrusion products used in the production of high speed trains and metro train car bodies forms part of the PRC market for aluminium alloy extrusion products. We are also one of the first and amongst the few in the aluminium alloy extrusion industry in the PRC to possess downstream fabrication capabilities to process train car body components.

According to CBI China, the PRC government plans to invest more than RMB2 trillion to expand the national railway network by building an additional 24,000 km of rail lines from 86,000 km of rail lines as of the end of 2009 to 110,000 km of rail lines by 2012 and RMB882 billion to expand the national metro network by building approximately an additional 2,100 km of metro lines from approximately 900 km of metro lines as of the end of 2009 to 3,000 km of metro lines by 2015, covering 40 PRC cities. As a result of these initiatives, we believe the PRC railway industry will experience rapid growth in the near future, which we expect will translate into increased demand for our aluminium alloy extrusion products. With our leading market position, we believe that we are well-positioned to take advantage of this rapidly growing market. Furthermore, we believe it takes considerable time, experience and resources to establish the manufacturing capability, track record, and customer relationships we have developed and to achieve the stringent quality standards and certification requirements we have met. We believe these factors are significant barriers to entry to supplying aluminium alloy extrusion products to the passenger rail transportation industry in the PRC, and that our manufacturing capability, unrivalled track record, well-established customer relationships, stringent quality standards and certifications will help us to maintain our leading market position in this end-user market.

Established track record in supplying aluminium alloy extrusion products to the passenger rail transportation sector

We have an established track record in supplying to the PRC passenger rail transportation sector. Landmark contracts for which we were appointed as a supplier include trains for the Beijing-Tianjin High Speed Train Project, and inter-city high speed trains for the CRH3-380 project. We believe that our ability to participate in such landmark and sizeable projects serve as recognition of the consistent high quality of our products as well as our production capabilities. We also export aluminium alloy extrusion products internationally and have been involved in a considerable number of train projects in Europe and Asia, including supplying to the Metro Oslo MRT project in Norway, the Helsinki – St Petersburg high speed train project, the Incheon International Airport Railroad Project in South Korea and the Circle Line project in Singapore.

Consistent delivery of high quality products is evidenced by our ability to meet stringent certification standards recognised by global train manufacturers

We have been consistently maintaining high standards of product quality, quality management systems and production capabilities, which are evidenced by the numerous important certifications and awards in the PRC and internationally awarded to us:

- According to CBI China, we are one of the only two aluminium alloy extrusion products suppliers in the PRC to receive IRIS certification for the manufacturing and servicing of aluminium alloy car body profiles and parts for rail cars;
- We are certified by two of the top global train manufacturers, namely Alstom and Siemens, as well as by Changchun Bombardier, as an approved supplier of aluminium alloy extrusion products in the PRC;
- We have been awarded the "Quality Focus Global Sourcing Grade "A" International Certification" by Alstom pursuant to which we are regarded as a preferred supplier for all projects undertaken with Alstom globally;
- We have been awarded the prestigious EN 15085-2 certification for the welding of railway vehicles and components issued by GSI SLV Duisburg, one of the largest welding engineering institutes in Europe. This certification is recognised internationally, and is a testimony of our Group's capabilities to meet international quality assurance standards for welding works in the new build, conversion and repair of railway vehicles and their components; and
- "Midas" was named "2007 China's Top Brand" by the General Administration of Quality Supervision, Inspection and Quarantine of the PRC, the only aluminium alloy extrusion manufacturer to be awarded under the relevant category.

As our certifications are re-evaluated periodically, our ability to maintain these certifications attests to our consistency in delivering high quality products and maintaining quality standards. Our consistent and high quality standards and our ability to meet stringent safety standards provide us with a competitive edge in securing new contracts from customers in the PRC and globally.

Well established relationships with the leading domestic and international train manufacturers

We have been supplying to the Licensed Train Manufacturers in the PRC, including CNR Changchun, CNR Tangshan and CSR Zhuzhou since 2003, and NPRT since 2007. We have also been supplying to the top global train manufacturers, such as Alstom and Siemens for over six years, and Bombardier for over two years. The aggregate revenue contribution from international sales made to the top three global train manufacturers (Alstom, Siemens and Bombardier) accounted for 4.5%, 3.6%, 4.5% and 2.3% of our total revenue for the three years ended 31 December 2007, 2008 and 2009, and the three months ended 31 March 2010, respectively. Two of the three global train manufacturers, namely Bombardier and Alstom, have a presence in the PRC through joint ventures with PRC train manufacturers. Over the course of our operating history, we have established strong working relationships and in some cases, achieved preferred supplier status, with our key customers, all of whom are repeat customers. We have been included in the Alstom "Leading Partners 150" Programme, pursuant to which we are regarded as a preferred supplier for all of Alstom business units globally. Since 2005, we have been recognised as a preferred long-term supplier of aluminium alloy extrusion products for the aluminium alloy extrusion projects of all members of the Siemens group globally.

We believe our strong working relationships with our repeat customers give us a competitive advantage over other PRC aluminium alloy extrusion products suppliers to the PRC passenger rail transportation industry. The PRC high speed and metro train manufacturing industry is highly concentrated with only five Licensed Train Manufacturers which hold licences to manufacture high speed and metro trains, and we believe our repeat customers are essential to our Aluminium Alloy business.

Experienced and visionary management team

We are led by an experienced and visionary management team. Our Executive Directors, Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick, and our General Manager of the Aluminium Alloy Division, Mr. Wang Jia Xin, each has over 20 years of management experience and significant expertise in the aluminium alloy extrusion industry. Our management team has delivered consistent growth and profits in recent years, enabling us to become one of only six companies in Asia to be included in the Forbes Asia's "Best Under A Billion" list for four consecutive years from 2006 to 2009. Having conducted business in the PRC since the early 1990s, our senior management team has acquired a good understanding of the PRC market and the particular social, economic and political factors that affect the PRC market. With this experience and understanding, they were able to identify and successfully capitalise on the opportunities arising from the passenger rail transportation industry in the PRC and internationally. Under the direction of our management, we were able to gain a first-mover advantage in providing aluminium alloy extrusion products for the PRC passenger rail transportation industry. This has allowed us to build up a network of contacts and gain in-depth industry knowledge over the years.

STRATEGIES

We aim to maximise shareholder value by expanding our aluminium alloy extrusion production capacity to further strengthen our leadership position in the PRC passenger rail transportation market, further developing our downstream capabilities to become an integrated rail transportation equipment components supplier and expanding our presence in international markets. Our principal strategies include the following:

Expand our aluminium alloy extrusion production capacity

We intend to maintain our leading market position in supplying aluminium alloy extrusion products to the passenger rail transportation market in the PRC and take advantage of the growth opportunities in this market by expanding our production capacity. As at 31 December 2009, we operated two aluminium alloy extrusion production lines with a total annual production capacity of

20,000 tonnes. We expect to increase our annual aluminium alloy extrusion production capacity[(1)] to 50,000 tonnes by the end of 2010 with the addition of three new production lines. Our production capacity expansion plan is expected to cater to the increasing market demand for aluminium alloy extrusion products in the PRC passenger rail industry which, according to CBI China, is projected to increase by 123.4%, 26.3% and 26.0% in 2010, 2011 and 2012, respectively. This capacity expansion will also allow us to take on additional contracts which we have not been able to in the past due to production capacity constraints at that time. As at 31 March 2010, our capital commitment for the additional three extrusion production lines and two downstream fabrication lines was approximately S$50 million, which will be funded by a combination of the proceeds of the share placement of 120,000,000 Shares that the Company completed in July 2009, internal cash resources, existing bank facilities and, where necessary, additional bank borrowings. One of the three recently acquired extrusion production lines has commenced operation in April 2010 and one other commenced trial production in June 2010. Beyond 2010, we will continue to expand our extrusion production capacity to keep up with the growth in demand in the end-markets.

Develop into an integrated rail transport components supplier

We plan to develop into an integrated manufacturer of aluminium train car body profiles and train car body components by further enhancing our downstream fabrication capabilities. We plan to further develop our processing capabilities to manufacture value-added aluminium alloy extrusion products, which are ready to be assembled and used by our customers in the production of train cars with limited additional processing. With the development of our downstream fabrication capabilities, we will be able to provide services addressing our customers' demands at different points of the supply chain. In addition to manufacturing large-section aluminium alloy extrusion products which are primarily used in the body frames of high speed trains and metro trains, we are able to further process these aluminium alloy extrusion products into value-added products for use as train car body components. We believe this will differentiate us from most of our competitors and help us to maintain our market leadership position. In addition, we expect the expansion of our downstream fabrication capabilities to provide us with additional revenue streams from existing customers and increase attractiveness to potential new customers. In July 2009, we began operating our first fabrication line which is able to process car body components for approximately 300[(2)] train cars per annum. We have received initial orders for our fabrication services from some of our major domestic customers such as CNR Tangshan and CNR Changchun and international customers such as Bombardier, evidencing the acceptance of these value-added services by our customers. We plan to dedicate a significant portion of our resources for the construction of two additional fabrication lines, which together with the first line, will be able to process car body components for approximately 1,000 train cars per annum. Our second fabrication line has commenced operations in April 2010 and the third fabrication line is expected to commence operations in the second half of 2010.

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(1) Our aluminium alloy extrusion production capacity stated is based on the optimal level of production of each production line (as recommended by the respective manufacturers) when used to produce large aluminium alloy extrusion profiles for train car bodies. For more details on our extrusion production capacity, see the section headed "Business – Our Business Divisions – Aluminium Alloy Division – Production Facilities – Extrusion Production Line" below.

(2) Our downstream fabrication line production capacity as stated is the current annual production capacity which is dependent on certain assumptions and factors, such as the specifications of machines being used in the production process. For more details on our fabrication production capacity, see the section headed "Business – Our Business Divisions – Aluminium Alloy Division – Production Facilities – Fabrication Production Line" below.

Expand presence in international markets

Our Company believes that the outlook for the international rail transportation market is expected to be positive for the next few years. The rapid growth of some developing countries has resulted in increased demand for rail car products, while the need for railway upgrading in developed countries to maintain fleet efficiency has resulted in a growing demand for new rail car products and replacement parts. We plan to leverage our proven track record through our involvement in projects with global rail transport players to further enhance our presence in international markets. We typically classify projects undertaken by us directly with our customers who are non-PRC entities as international projects, which did not contribute a substantial portion of our total revenue during the Track Record Period. We intend to continue our expansion into international markets by pursuing new projects and targeting new customers in the international passenger rail transportation industry. We believe that this will allow us to increase our sales, diversify our customer base and markets and gain economies of scale. We have obtained IRIS certification, an internationally recognised certification for the evaluation of management systems in the rail transportation sector, and other certifications from leading train manufacturers in the world. We plan to obtain additional recognition of, and renew qualifications for, quality management standards certifications from international organisations to facilitate our international expansion.

SECONDARY LISTING

Our Company has a primary listing on the SGX-ST and is seeking a secondary listing on the Stock Exchange. The stock markets of Singapore and Hong Kong exhibit different characteristics which may cause a difference in the price of the Singapore Shares and the Hong Kong Shares. For more information, please refer to the section headed "Risk Factors – Risks Relating to the Secondary Listing of the Group – The stock markets of Singapore and Hong Kong have different characteristics and the historical prices of the Singapore Shares may not be indicative of the performance of the Hong Kong Shares after the listing of our Shares on the Stock Exchange" of this prospectus.

We have not breached any rules or regulations under the Listing Manual since our listing on the SGX-ST in February 2004.

We have obtained in-principle approval from the SGX-ST for the listing of the Offer Shares on the SGX-ST to be issued pursuant to the secondary listing on the Stock Exchange and the Global Offering to be held in conjunction therewith, subject to the following conditions:

(a) compliance with the SGX-ST's listing requirements;

(b) Shareholders' approval being obtained in a general meeting for the Global Offering, and the proposed issuance of the Offer Shares at an offer price of no more than 10% discount to the SGX-ST Market Price;

(c) written confirmation from the Company that if there is any share borrowing arrangement entered into with a substantial shareholder, the substantial shareholder will not derive any financial benefit, whether directly or indirectly, from the share borrowing arrangement – as provided under Rule 813 of the Listing Manual;

(d) a written undertaking from the Company that it will make periodic announcements on the use of the proceeds from the Global Offering and that it will provide a status report on the use of the proceeds in the annual report;

(e) a written undertaking from the Company that it will not allot and issue any of the Offer Shares (including Shares to be issued pursuant to the exercise of the Over-allotment Option) so as to transfer a controlling interest in the Company without the prior approval of the Shareholders in a general meeting;

(f) a written confirmation from the Company that it will not issue the Offer Shares (including Shares to be issued pursuant to the exercise of the Over-allotment Option) to persons prohibited under Rule 812(1) of the Listing Manual; and

(g) a written confirmation from the Company that the requirements in Rule 723 of the Listing Manual will be complied with.

On 30 April 2010, we obtained the approval of Shareholders for, among others, the issue of the Offer Shares.

For the three years ended 31 December 2007, 2008 and 2009 and the six months ended 30 June 2010, the average daily traded volume of our Shares on SGX-ST was 6,032,608, 4,283,250, 15,407,359, and 11,531,661 Shares respectively, and the average daily traded value was S$9,368,929, S$2,721,164, S$11,142,474 and S$11,754,305, respectively, during the same periods. Measures have been put in place to allow Shareholders to transfer between the Hong Kong and Singapore Share registers. Such measures are described in detail in the section headed "Listing, Registration, Dealings and Settlement" in this prospectus.

OUR BUSINESS DIVISIONS

Aluminium Alloy Division

We are the leading manufacturer of aluminium alloy extrusion products for the passenger rail transportation sector in the PRC. We have been engaged in the production of aluminium alloy extrusion products since 2001 through our wholly owned subsidiary, Jilin Midas. The Aluminium Alloy Division is our principal business division and accounted for 88.8%, 91.7%, 95.4% and 96.7% of our total revenue from continuing operations for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively.

As at 30 June 2010, there are a total of eight market players supplying large-section aluminium extrusion products in the PRC passenger rail transport industry. No particular certification is required under PRC laws and regulation for the supply of aluminium extrusion products to the PRC passenger rail transport industry. Notwithstanding this, as mentioned above, we have been awarded the IRIS certification and are also certified to supply to Alstom, Siemens and Changchun Bombardier, which is testament to our superior quality standards and quality management systems. According to CBI China, the total market size of, and our market share in, the PRC market for aluminium alloy extrusion products used in the PRC passenger rail transportation industry was RMB353.3 million, RMB453.7 million, and RMB575.5 million, and 75%, 83% and 66%, respectively, during the three years ended 31 December 2007, 2008 and 2009. During the same period, our market shares in the PRC overall aluminium semis industry and aluminium extrusion product sector are insignificant (less than 1% based on estimates by CBI China), since our business focus is, and will continue to be, on the PRC passenger rail transport industry.

Our aluminium alloy production facilities are strategically located in Liaoyuan City, Jilin Province, PRC, in close proximity to the production base of some of our major customers, which has led to shorter delivery and response times, reduced transportation and storage costs and fostered closer working relationships with those customers.

Our Aluminium Alloy Division has received numerous awards and accreditations from the PRC government and well-known organisations in the PRC and internationally, evidencing our superior quality standards and quality management systems. Details of the awards and accreditations we had been awarded as at the Latest Practicable Date are set out in the section headed "Major Awards and Certificates" below.

Products

Our Aluminium Alloy Division manufactures a wide variety of large-section and high-precision aluminium alloy extrusion products which are primarily used in the body frames of high speed passenger trains and metro trains. Our aluminium alloy extrusion products are also used in components for other end-products, which are described below. All of our aluminium alloy extrusion products are manufactured on a customised basis in accordance with our customers' specifications and quality standards.

In July 2009, we expanded our operations to include downstream fabrication capabilities. This has enabled us to produce train car body components, such as roofing, flooring, side panels which are based on our customers' specifications and are ready for assembly by our customers upon receipt with limited further processing. We are able to undertake fabrication processes such as welding, machining and bending of aluminium alloy extrusion parts, to process train car body components in accordance with our customers' specifications. These train car body components are ready for assembly by our customers with limited further processing.

Aluminium is a lightweight, strong, ductile, conductive and corrosion-resistant metal. This combination of properties has led to an increase in the demand for aluminium and its alloys in various industries over the years, including the railway transport industry. Revenue from our Aluminium Alloy Division comprises mainly revenue from the production of (i) aluminium alloy extrusion products which are supplied to the passenger rail transport industry for the manufacture of car body frames of high speed trains and aluminium metro trains; (ii) aluminium alloy tubings which are supplied to the power industry for use in power stations for power transmission, electrical energy distribution and transmission cables; and (iii) aluminium alloy rods and other specialised aluminium products which are supplied to other industries primarily for the production of mechanical parts for industrial machinery.

Rail Transport Industry

As aluminium is a relatively lightweight metal, weighing approximately one third of steel, our aluminium alloy products are widely used in the rail transport industry to manufacture body parts of passenger cars in high speed trains and aluminium metro trains. High speed trains are generally used in inter-city railway projects, whereas aluminium metro trains are generally used in railway projects within the city. The use of aluminium in railway trains reduces dead-weight and energy consumption while increasing speed and load capacity. Also, the ductility of aluminium allows aluminium alloy extrusion products to be shaped and formed only at the last stages of the product's manufacture, hence increasing the accuracy and precision of the products. Aluminium alloys are also increasingly being used, in place of steel, to form the body frame and other parts of trains, ships, aircrafts and cars.

Power Industry

Aluminium is an excellent electricity and heat conductor and in relation to its weight is a more efficient conductor than certain other conductive metals such as copper. We produce aluminium alloy tubings which are key components in power stations for power transmission, electrical energy distribution and transmission cables. In addition, aluminium alloys are commonly used in the production of industrial heat exchangers and heat transfer equipment and in central heating systems.

Other Industries

Engineering – As aluminium alloys are lightweight and have high tensile strength, they have many engineering applications, including the manufacture of pistons and connecting rods as part of engines, pneumatic cylinder tubes, engine mounting, escalator cladding and floorboards. We produce aluminium alloy rods and other specialised profiles which are used in the production of mechanical parts for industrial machinery.

Building and Construction – As aluminium is highly corrosion resistant and easy to maintain, aluminium alloys are also widely used in modern building construction, particularly in the construction of window frames, claddings, roofs and exterior walls. Unlike steel or copper, aluminium naturally generates a protective oxide coating which obviates the need for surface protection coatings. We supply a variety of sizable, high-end large-section aluminium sheets which are used in the construction of upscale buildings and structures, for example, the construction of louvre panels for Beijing International Airport Terminal 3 and Shenzhen Exhibition Centre. Nevertheless, supply of aluminium alloy products to the building and construction industry only accounted for an insignificant portion of our total revenue over the Track Record Period.

Given the fast growth of the PRC railway industry and the corresponding demand for our aluminium alloy extrusion products for the production of high speed trains and aluminium metro trains, the portion of our revenue from the rail transport industry has continuously increased during the Track Record Period. The following table shows the breakdown of revenue contribution by end product for our Aluminium Alloy Division for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010:

Industry to which end products are supplied	Revenue contribution to Aluminium Alloy Division for the three years ended 31 December			For the three months ended 31 March
	2007	2008	2009	2010
Rail Transport Industry	52.1%	64.3%	64.8%	69.6%
Power Industry	22.2%	23.4%	17.9%	9.7%
Others	25.7%	12.3%	17.3%	20.7%
Total	100.0%	100.0%	100.0%	100.0%

Production Facilities

Our aluminium alloy production facilities consist of two integrated complexes located in Liaoyuan, Jilin Province, PRC. The proximity of these production facilities to our major customers such as CNR Changchun, BST and CNR Tangshan has resulted in shorter delivery and response times, reduced transportation costs and has helped us to foster closer working relationships with some of our major customers. Furthermore, the integrated complexes allow increased flexibility in production and delivery scheduling and faster response to customer requirements, as well as encourage efficient management and operation. As at 31 December 2009, our technologically advanced aluminium alloy production facilities consisted of two aluminium alloy extrusion production lines, which commenced operations in 2001 and 2006, respectively, and one downstream fabrication line, which commenced operations in 2009.

As at 31 December 2009, our two aluminium alloy extrusion production lines are equipped with a 55MN aluminium alloy extrusion press and a 75MN aluminium alloy extrusion press, which have an aggregate annual production capacity of 20,000 tonnes. Our aluminium alloy extrusion production lines are able to manufacture large-section aluminium alloy extrusion products of up to 28 metres in length and 0.7 metres in width in various alloys. Similarly, our aluminium alloy extrusion production lines are able to manufacture large diameter tubes, rods and bars of up to 28 metres in length and 0.48 metres in diameter. Our aluminium alloy extrusion production facilities also comprise auxiliary equipment such as furnaces and aging treatment machines.

We manufacture aluminium alloy extrusion products in accordance with the specifications provided by our customers, which include the type and the shape of the aluminium alloy extrusion product. Our aluminium alloy extrusion presses enable us to produce aluminium alloy extrusion products which meet our customers' specifications. We work closely with our aluminium alloy extrusion press manufacturers in designing and fine-tuning our machines so as to meet our stringent quality control standards in order to produce products which meet our customers' requirements. The process commencing from the finalisation of the design of our aluminium alloy extrusion presses to a full-scale production of aluminium alloy extrusion products enables us to develop and master the aluminium alloy extrusion technology and know-how that are essential for the production of aluminium alloy extrusion products for our target market.

Our first downstream fabrication line, which commenced operations in 2009, has an annual production capacity to process car body components for approximately 300 train cars. As a result of the short operating history of our downstream fabrication line, its contribution to our total revenue in 2009 was insignificant. Our fabrication line is equipped with robotic welding machines, CNC machining centres and CNC bending machines.

All of our aluminium alloy extrusion and fabrication production lines are automated. Our equipment and machinery are either manufactured locally in the PRC or imported from Germany and US. We have been continuously upgrading our facilities to improve production efficiency.

Our production capacity and facilities are key to our business. During the Track Record Period, we did not experience any significant delays in the delivery or installation of new production machinery or equipment or major breakdowns of production machinery or equipment. Furthermore, our Company has not experienced any major disruptions in the supply of utilities such as water or electricity during the Track Record Period.

As at 30 June 2010, the aggregate outstanding unrealised contract value for contracts entered into by our Aluminium Alloy Division is approximately RMB1.5 billion.

Production capacity and utilisation rates over the Track Record Period

Our aggregate annual production capacity for each of 2007, 2008 and 2009 was 20,000 tonnes. The utilisation rate for each of our aluminium extrusion production lines for the three years ended 2007, 2008, 2009 and the three months ended 31 March 2010, is as follows:

Utilisation rate(1)	Year Ended 31 December			For the three months ended 31 March
	2007	2008	2009	2010
75 MN production line	80%	83%	85%	94%
55 MN production line	63%	77%	85%	91%
Average utilisation rate	**72%**	**80%**	**85%**	**93%**

Both our existing extrusion production lines are operating at very high levels of utilisation to handle the current demand for our products. The average utilisation rate[1] of both our production lines combined, based on three eight-hour daily rotating shift machine time, was 72%, 80%, 85% and 93% in 2007, 2008, 2009 and in the three months ended 31 March 2010, respectively.

In order to meet the increasing demand from our PRC passenger rail transportation customers, we are in the process of significantly expanding our production capacity. In February 2009, we purchased a 110MN extrusion press which was installed in one of our current production plants in Liaoyuan and has commenced trial production in June 2010. In August 2009, we purchased a 36MN extrusion press and a 95MN extrusion press. Our 36MN extrusion press was delivered for installation and commissioning in February 2010 and has commenced operations in April 2010. Our 95MN extrusion press, on the other hand, is currently being installed and, after commissioning, is expected to commence trial production in December 2010. As of 30 June 2010, we have an orderbook from train manufacturers worth approximately RMB1.5 billion. These three additional extrusion production lines have been acquired to expand our production capacity to meet the increasing demand for our products and to handle additional orders in the future. The addition of these three new extrusion production lines will increase our total annual production capacity from 20,000 tonnes as of end of 2009 to 50,000 tonnes by the end of 2010. Our Directors are of the view that, based on our current business strategy and the trend and prospect of the PRC passenger rail transportation industry as estimated by CBI China, our upcoming production facilities will provide us with the capacity sufficient to meet production and market demands for the next two years. Depending on the then production and market demands, we will consider further expanding our production capacity to meet any increasing production requirements in the future. For more information, please refer to the section headed "Future Plans and Use of Proceeds – Future Plans" in this prospectus.

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(1) The utilisation rate for each extrusion production line is calculated as such:

$$\text{Utilisation rate} = \frac{\text{(No. of days in the respective financial period x 24 hours)} - \text{Non-operating time in the financial period (hours)}}{\text{(No. of days in the respective financial period x 24 hours)}},$$

expressed as a percentage. Non-operating time in the year includes real maintenance down time and the time required for mould and billet changing.

All aluminium alloy extrusion production capacities stated above are based on the optimal level of production of each production line (as recommended by the respective manufacturers) when used to produce large aluminium alloy extrusion profiles for train car bodies. The actual production capacity of each aluminium alloy extrusion production line will vary according to the following factors:

Extrusion Production Line

- *Type of Aluminium Alloy Extrusion Products Produced*

  The production capacity of each production line can vary significantly depending on the type of product being produced. Our production lines can be used to produce two main categories of products:

  (i) large aluminium alloy extrusion profiles for train car bodies; and

  (ii) standard aluminium profiles, tubings and rods.

  Hence, the product mix will have an impact on the overall production capacity.

- *Specifications of the Products to be Produced*

  The technical specifications for different products vary in terms of length and width. In addition, different industry specifications may apply to particular types of products. As a result, the overall production capacity will be affected based on the complexity of the specifications.

- *Alloy Designation of the Aluminium Alloy Billets Used*

  We primarily use aluminium alloy billets as raw materials in the production of aluminium alloy extrusion products. Different series of aluminium alloy billets used will result in varying levels of production output as each series of aluminium alloy billets has different properties.

- *Efficiency of Production*

  The production capacity of each production line will increase with the increase in efficiency of production over time as a result of the improvement in the skill and experience of workers handling such production lines and our technical processing ability.

- *Obsolescence*

  The production capacity of each production line may decrease over time with wear and tear of the machinery used in the production of aluminium alloy extrusion products as additional maintenance down time is required and the production output is lower.

- *Auxiliary Processes*

  As the production process also involves other auxiliary processes, such as heating and cooling, the selection and combination of these auxiliary capabilities during the production process also affects the production capacity.

Fabrication Production Line

Apart from our first downstream fabrication line which commenced operations in 2009, we have added two new downstream fabrication lines. One has commenced operations in April 2010 and the other is expected to be operational by the second half of 2010. It is expected that our new downstream fabrication lines will increase our annual production capacity from processing car body components for approximately 300 train cars to approximately 1,000 train cars by the end of 2010.

The actual production capacity of each aluminium alloy fabrication production line will vary according to the following factors:

- *Specifications of the Products Requiring Fabrication Process*

  The size, shape and the type of train car bodies component to be produced will affect the overall production capacity.

- *Use of Different Machines*

  The fabrication production line comprises a number of different machines such as CNC machine and welding machine for various purposes. The specifications of each machine therefore have an impact on the overall production capacity. Similar to the extrusion production lines, our fabrication production line's capacity is also affected by the type and number of machines used in the entire fabrication production process.

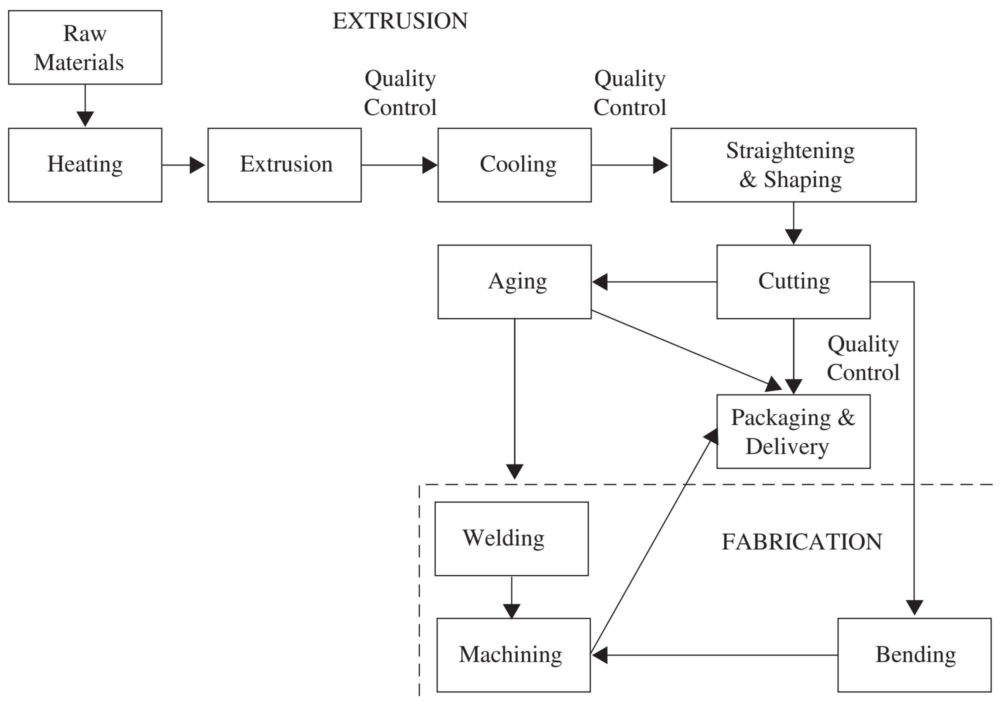
- *Efficiency of Production*

  Our processing capability including the level of sophistication and the skill and experience of the relevant workers handling such production lines will affect the overall production capacity.

As at 31 March 2010, our capital commitment for the additional three extrusion production lines and two downstream fabrication lines was approximately S$50 million, which will be funded by a combination of the proceeds of the share placement of 120,000,000 Shares that the Company completed in July 2009, internal cash resources, existing bank facilities and, where necessary, additional bank borrowings.

Production Process

The following diagram sets out the typical production process for our aluminium alloy extrusion products and our downstream fabrication line.



EXTRUSION

Raw Materials

We procure raw materials for use in our production process. The primary raw material used in manufacturing our aluminium alloy extrusion products is aluminium alloy, which is usually delivered to us in the form of billets in various sizes with various levels of alloy content. Aluminium alloys come in standard chemical compositions for industrial uses. We generally use materials ranging from the 1000 series to the 8000 series. The series numbers denote the alloy content of the aluminium alloys, as prescribed by internationally agreed classification and nomenclature systems. Our customers specify the type of aluminium alloy they require by referring to the standard descriptions.

Prior to the commencement of production, we carry out sample testing on aluminium alloy billets in accordance with our stringent quality standards to ensure that their chemical compositions conform to our customers' order requirements, and to ascertain that the tensile strength and malleability of the aluminium alloy billets delivered by our suppliers are suitable for our production purposes.

For details of our suppliers and quality control, please see the sections headed "Suppliers and Raw Materials" and "Quality Control" below.

Heating

Our manufacturing process involves simultaneously heating the extrusion steel die and aluminium alloy billets to the required extrusion temperature with our die and billet heaters. A die is a mould that carries the shape and design of an aluminium product to be produced, and is specifically made and supplied by our die supplier or, in some cases, by our customers. Various die layout and designs allow us to produce customised products that are tailored to our customers' specifications and technical standards.

Extrusion

The extrusion process consists of pushing a heated billet at extrusion temperature through a heated steel die at a prescribed pressure to form different aluminium alloy extrusion products.

Using our extrusion presses, the billet is formed into a continuous length of uniform cross-section by being forced to flow through the steel die. The extrusion process is a high precision process, which requires specific conditions to be set depending on the type of aluminium alloy and steel die used. The amount of pressure and heat to be applied, the speed of the extrusion, and the process of cooling will directly affect the properties and quality of our aluminium alloy extrusion products. We monitor the quality of our work-in-progress and carry out sample testing after the extrusion process to ensure they meet our stringent quality standards.

Cooling

When the extruded section of the aluminium alloy exits the die, it is gradually quenched or cooled by air, water mist or water depending on the type of aluminium alloy used and the specified product properties required, such as the extrusion geometry and the tensile strength needed. We also carry out sample testing after the cooling process as part of our stringent quality control measures.

Straightening and Shaping

The aluminium alloy body produced after the extrusion process is still relatively malleable at this stage. Using straightening and shaping machines, it is subjected to further shaping by way of stretching and de-twisting to remove kinks, bends and minor misalignments. This ensures that the dimensions and shape of the plain extrusion products are precise.

Cutting

Using cutting machines, our plain extrusion products are cut into various sizes according to the dimensions required by the final products.

Aging Treatment

Our plain extrusion products undergo aging treatment which involves heating the products in an aging furnace at a pre-set temperature for a prescribed period of time in order to strengthen and harden the products and achieve the properties required of the products.

Packaging and Delivery

In order to ensure that the final product conforms to our customers' order requirements, samples of our finished products are subject to a series of extensive tests performed by our full-time quality control inspectors with specific testing equipment located at our laboratories at our production plant in Liaoyuan. Properties inspected on the samples include heat resistance, shape, chemical component, tensile strength, hardness, bending, impact and pressure tolerance. After our finished aluminium alloy extrusion products have passed our quality inspection tests, they are packaged for warehousing and delivery.

For details of our quality control measures, please see the section headed "Quality Control" below.

FABRICATION

Depending on customers' requirements, the extruded aluminium alloy body product may be subjected to further fabrication processes such as welding, machining and bending to produce train car body components which are ready for assembly with limited further processing. The key steps of our fabrication process involve the following:

Welding

With the assistance of double robotic welding production lines, extruded sections of aluminium alloy are welded together to form a whole product from a number of extrusion parts. Welding provides continuity of joining and these large-section extruded parts, when welded together, are commonly used in the side wall, roof and underframe of the train car bodies.

After the extruded parts are welded together, they may be further subjected to post welding cleaning and finishing processes.

Machining

Machining processes include milling, drilling and boring which are carried out with the assistance machinery such as our five-axes CNC machining centres. CNC machining centres are equipped with computer controlled capability which allows users more control over actions which require precision, such as milling and boring. Milling is the process of cutting down an aluminium extrusion product to the required size and shape. Drilling is the process of cutting or enlarging holes in an aluminium extrusion product whereas boring is the process of enlarging the diameter of an aluminium extrusion product to an accurate finishing.

Bending

With the assistance of CNC bending machines such as our 3D CNC stretch-bending machine and five-axes CNC contour roll-bending machine which are computer controlled machines specially designed for precision bending, the extruded aluminium alloy body is bent to the required shape and curvature using engineering techniques known as stretch bend, roll bend or press bend.

Packaging and Delivery

After our train car body component products have been inspected, they are packaged for warehousing and delivery.

NPRT

We invested in NPRT as one of the founding shareholders in 2006 as part of our strategy to tap into the passenger rail transportation sector and capitalise on the increasing demand stemming from the rapid growth in the PRC passenger rail transportation sector. NPRT is a Sino-foreign joint venture established in the PRC. Its current shareholders are the Company, CSR Nanjing Puzhen Rolling Stock Company and Pukou State-owned Capital Operation, which hold a 32.5%, 62.5% and 5% interest in NPRT, respectively. We are currently represented by two directors, out of a total of seven directors, on the board of NPRT. The majority shareholder of NPRT, CSR Nanjing Puzhen Rolling Stock Company ("CSR Nanjing Puzhen"), is a subsidiary of CSR, one of the two largest train manufacturing groups in the PRC. In 2006, CSR Nanjing Puzhen Rolling Stock Works, a former shareholder of NPRT, injected assets including existing production facilities which have been in operation since 1999 as part of its capital contribution to the joint venture. In 2007, CSR Nanjing Puzhen Rolling Stock Works transferred its equity interest in NPRT to CSR Nanjing Puzhen. NPRT commenced commercial production in January 2007 and has been engaged in the development, manufacturing and sale of metro trains, bogies and their related parts.

We believe NPRT is well positioned to benefit from the metro train industry in the PRC which is experiencing high growth, as it is one of only four Licensed Metro Manufacturers with a license to manufacture metro trains in the PRC and has an established operating track record. In addition, we are currently the only aluminium alloy extrusion product manufacturer that has a significant strategic investment in the limited few licensed train manufacturers in the PRC. Since its inception, NPRT has won contracts to supply trains to a number of landmark metro projects in the PRC, including the Shanghai Metro Line No. 10 Project and Hangzhou Metro Line 1 Project. Since 2007, NPRT has been awarded ten metro train projects in the PRC. In 2009, NPRT won contracts to supply trains to three major metro projects in the PRC, being the Pearl River Delta Inter-City Train Project (Dongguan-Shenzhen Section and Dongguan-Huizhou Section), Hangzhou Metro Line 1 and Shenzhen Metro Line 4 Phase 2. In April and May 2010, NPRT was awarded contracts worth RMB474 million and RMB1.14 billion respectively to supply metro train sets for the Suzhou Metro Line 1 Project and the Shanghai Metro Line 13 Project, respectively.

As at 31 December 2009, NPRT had an annual production capacity of approximately 300 aluminium alloy train cars and 100 stainless steel train cars. NPRT is expected to have an annual production capacity of approximately 400 aluminium alloy train cars and approximately 200 stainless steel train cars by the end of 2010.

Besides the growth prospects and expected returns from NPRT, we believe our investment in NPRT brings other significant strategic benefits:

- NPRT is a major customer of our Aluminium Alloy Division and our investment in NPRT helps strengthen this relationship. In September 2007, Jilin Midas entered into a Master Supply Agreement with NPRT to supply aluminium alloy extrusion products for at least five metro train projects secured by NPRT up until 31 December 2010. We believe this allows us to maintain a stable supply of aluminium alloy extrusion products to NPRT during this period.

- Our investment in NPRT provides us with a deeper understanding of and insights into the metro train markets in the PRC.

- As of 30 June 2010, we are the only aluminium alloy extrusion product manufacturer that has a significant investment in the limited few Licensed Train Manufacturers in the PRC, due to our investment in NPRT.

- One of our key strategic objectives is to develop into an integrated passenger rail transport equipment components manufacturer by developing further downstream processing capabilities. With such capabilities, we will produce train car body components that are ready for assembly with limited further processing and supply them primarily to manufacturers of high speed trains and metro trains in the PRC. This business is different from that of NPRT's as NPRT is primarily engaged in the development, manufacturing and sale of metro trains, bogies and their related parts. Particularly, NPRT is one of the four Licensed Metro Manufacturers with a license to manufacture metro trains in the PRC, and is in the business of supplying metro trains to a number of metro train projects in the PRC. Our development into an integrated passenger rail transport equipment components manufacturer will result in very little, if any, competition, directly or indirectly, between our Company and NPRT. We believe our relationship with NPRT is mutually beneficial as our Company would provide NPRT with ready-for-assembly metro train car body components, hence reducing NPRT's need to devote resources into fabrication processes such as welding, machining and bending in order to produce such components. We believe this will, in turn, enhance the manageability and efficiency of NPRT's manufacturing process. Moreover, we believe our investment in NPRT will provide us access to know-how and expertise in the processing and assembly of train car body components. Overall, we intend to further strengthen our relationship with NPRT and we believe that our investment in NPRT would aid in the execution of this strategic objective.

All our transactions with NPRT are conducted on an arm's length basis. Other than the Master Supply Agreement which we believe will allow us to maintain a stable supply of aluminium alloy extrusion products to NPRT until 31 December 2010, our supply agreements with NPRT typically include contractual terms relating to price, product quality, delivery schedule and termination clauses, with no preferential arrangement or treatment accorded to NPRT arising as a result of the nature of our relationship.

None of our shareholders, directors or senior management of our Group or any of our subsidiaries or their respective associates has any interest in NPRT other than through our Group's interest in NPRT.

Our investment in NPRT contributed S$1.3 million, S$1.9 million, S$3.3 million and S$1.7 million to our profit before tax for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively.

PE Pipes Division

We are engaged in the design, manufacture and installation of PE pipes through our subsidiary, Wanshida. Our PE pipes are used in water distribution and gas piping networks. Our PE Pipes Division accounted for 11.2%, 8.3%, 4.6% and 3.3% of our total revenue from continuing operations for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively. As we consider our PE Pipes Division to be a non-core business, representing a relatively small portion of our Group's revenue, we currently do not have any plans to further expand our PE Pipes business.

Products

Generally, we manufacture two broad categories of PE Pipes, namely water PE Pipes and gas PE Pipes, for use in water distribution networks and gas distribution networks, respectively. We also have an installation team which assists customers in installing and commissioning the PE Pipes used in water distribution networks. We do not undertake any installation work for PE Pipes used in gas distribution networks.

Production Facilities

We currently operate three PE Pipes production lines, all of which are located at our production facilities in Ruicheng County Economic Technology Zone, Shanxi Province, PRC. Our PE Pipes production lines are capable of producing PE Pipes of diameters ranging from 20 mm to 500 mm. PE Pipes are manufactured through the process of extrusion. All of our PE Pipes production lines are automated and our equipment and machinery are imported from Austria and Germany. As at 31 March 2010, our PE Pipes production lines have a total annual production capacity of 9,000 tonnes.

Agency and Procurement Division

In 2005, we established our Agency and Procurement Division to centralise the procurement of our raw materials. Our Agency and Procurement Division was engaged in the import, export and wholesale of aluminium alloy products, polyethylene pipes, metal materials and other related products. Our Agency and Procurement Division was deemed a non-core business division and its financial contribution to our business operations was insignificant. In early 2009, our Directors decided to streamline our business operations and focus on our core business through our Aluminium Alloy Division. Our Agency and Procurement Division ceased all business operations in March 2009.

OUR CUSTOMERS AND OUR CONTRACTS

The business operations of our Aluminium Alloy Division are focused on, and most of our major customers comprise leading manufacturers in the passenger rail transportation sector, in particular, manufacturers of high speed trains and metro trains in the PRC. We sell our aluminium alloy extrusion products to all of the Licensed Train Manufacturers in the PRC and we are certified to supply aluminium alloy extrusion products to two of the top global train manufacturers, namely, Alstom and Siemens, as well as to Changchun Bombardier. We also export aluminium alloy extrusion products internationally and have been involved in a considerable number of train projects in Europe and Asia.

Our customer base consists of all the domestic Licensed Train Manufacturers. Some of these customers belong to the same group of companies, such as CNR and CSR. CNR contributed 25.9%, 38.5%, 30.4% and 41.2% to our total revenue from continuing operations for the three years ended 31 December 2007, 2008 and 2009, and the three months ended 31 March 2010, respectively, while CSR contributed 8.3%, 18.6%, 17.5% and 23.5% to our total revenue from continuing operations for the same periods. We also export our products to the top three global train manufacturers, namely, Alstom, Siemens and Bombardier. The aggregate revenue contribution from international sales made to the top three global train manufacturers (Alstom, Siemens and Bombardier) accounted for 4.5 %, 3.6%, 4.5% and 2.3%, respectively, of our total revenue from continuing operations for the three years ended 31 December 2007, 2008 and 2009, and the three months ended 31 March

2010, respectively. As far as we are aware, two of the three global train manufacturers, namely Bombardier and Alstom, have a presence in the PRC through joint ventures with PRC companies. For domestic sales, we contract and sell directly to the domestic Licensed Train Manufacturers, which may use our products for train projects in the PRC or international train projects. Historically, for PRC train projects, the domestic Licensed Train Manufacturers may also collaborate with the top three global train manufacturers either on a project consortium or joint venture basis. For international sales, we sell and export directly to customers such as the top three global train manufacturers for international train projects undertaken by them although our international sales during the Track Record Period did not contribute a substantial proportion to our total revenue during the same periods. The aggregate revenue contribution from international sales made to the top three global train manufacturers accounted for 4.5%, 3.6%, 4.5% and 2.3% of our total revenue from continuing operations for the three years ended 31 December 2007, 2008, 2009 and the three months ended 31 March 2010, respectively.

Our sales of aluminium alloy extrusion and fabricated products to our customers in the rail transportation sector contributed, in aggregate, 52.1%, 64.3%, 64.8% and 69.6% of the total revenue of our Aluminium Alloy Division for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively.

Railway Contracts Entered into Since 2009

Our aluminium alloy extrusion products are used in the manufacture of train cars for both high speed and metro railway projects. High speed trains are generally used in inter-city railway projects, whereas metro trains are generally used in railway projects within the city. In addition, we also supply our aluminium alloy extrusion products for use in the manufacture of light rail trains, which generally have a lower capacity and lower speed than metro trains, and are used in train projects covering short distances within the city. It is our Company's practice to disclose key contract details (including sales contract value) of all signed major contracts with customers, including newly and currently signed ones. The following table sets out the details of contracts entered into and publicly announced since 1 January 2009 and as at the Latest Practicable Date:

Project	Type of Project	Customer	Expected delivery schedule		Total Contract Value
			Date announced	Expected delivery date	(in million)
"CRH3-380"	High-speed	CNR Changchun	16 June 2009	Second half of 2009 – 2011	RMB306
"CRH3-380"	High-speed	CNR Tangshan	16 June 2009	Second half of 2009 – 2011	RMB297
"CRH3-380"	High-speed	CNR Tangshan	22 June 2009	Second half of 2009 – 2011	RMB115
"CRH3-300"	High-speed	CNR Tangshan	22 June 2009	Second half of 2009 – First half of 2010	RMB57
"CRH5 EMU"	High-speed	CNR Changchun	25 June 2009	Second half of 2009 – 2010	RMB70
"Saudi Arabia Metro"	Metro	CNR Changchun	6 July 2009	Second half of 2009 – First half of 2011	RMB27

Project	Type of Project	Customer	Expected delivery schedule		Total Contract Value
			Date announced	Expected delivery date	(in million)
"Iran Metro"	Metro	CNR Changchun	6 July 2009	Second half of 2009 – 2011	RMB27
"Changchun Light Rail"	Metro (light rail)	CNR Changchun	6 July 2009	Second half of 2009 – 2010	RMB6
"Guangzhou Line 3 Airport Line"	Metro	CSR Zhuzhou	6 July 2009	Second half of 2009 – 2010	RMB26
"CRH3-380"	High-speed	CNR Changchun	15 October 2009	2012	RMB152
"Singapore Downtown Line"	Metro	CNR Changchun	5 January 2010	February 2015 – June 2015	RMB38.7
"Shenzhen Line 4"	Metro	NPRT	5 January 2010	February 2010 – May 2011	RMB21.9
"CRH1"	High-speed	Bombardier Sifang (Qingdao) Transportation Ltd	18 January 2010	2010 – 2014	RMB353
"CRH5 EMU"	High-speed	CNR Changchun	21 June 2010	2010	RMB59
"Pearl River Delta Inter-City Train Project (Dongguan – Shenzhen Section) and Dongguan – Huizhou Inter-City Train Project"	Metro	NPRT	21 July 2010	2010 – 2011	RMB58
"Hangzhou Metro Line 1 Project"	Metro	NPRT	21 July 2010	2010 -2012	RMB72

The Company will continue the practice of announcing to the public details of new key orders, including sales contract value and expected delivery dates on an ongoing basis.

As at 30 June 2010, the aggregate outstanding unrealised contract value for all contracts entered into by our Aluminium Alloy Division, including the contracts set out in the table above, is approximately RMB1.5 billion.

Our Contracts

Project-based Contracts and Non-project based Contracts

The majority of the contracts that we enter into with our customers (including both rail transportation industry and non-rail transportation industry) can be broadly classified into the following categories:

(1) Individual standalone contracts for the supply of aluminium alloy extrusion products with our customers in the passenger rail transportation sector on a project basis;

(2) Framework agreements with some of our customers in the passenger rail transportation sector which would ultimately result in individual standalone contracts on a project basis;

(3) Purchase orders from our customers in the non-rail industry on a non-project basis; and

(4) Contracts with our customers from our PE Pipes Division on a non-project basis.

We generally enter into contracts for the supply of aluminium alloy extrusion products with our customers in the passenger rail transportation sector on a project basis as our customers are generally involved in train projects which are long term in nature and are carried out in stages and they generally wish to secure the supply of train components for the project duration. For example, we have entered into project-based contracts with some of our major customers including CNR Changchun, CNR Tangshan, CSR Zhuzhou and NPRT, each of whom is a Licensed Train Manufacturer in the PRC. We sometimes enter into framework agreements with our customers, on a non-project basis. Under both types of agreements, if our customers decide to amend the specific amounts of orders as initially set out in such framework agreements, they will notify us the specific amounts to be ordered which will be confirmed subsequently in separate individual orders.

The terms and conditions of our project-based contracts with our customers are individually negotiated, typically non-exclusive and typically set out: (i) type and estimated volume of purchase; (ii) prices, range of prices or pricing method; (iii) quality specifications and technical standards for product purchased; (iv) place and method of delivery and freight payment terms; (v) method of inspection and standards for acceptance or rejection of shipment; and (vi) settlement and payment terms. Generally, the terms of both project-based contracts and framework agreements permit our customers to make payment within a defined period after the delivery of goods in accordance with the schedule set out in the individual purchase orders (for example, 45 days after the acceptance of goods). These contracts and agreements also provide that our products meet certain technical and quality requirements, and are usually supplemented by the signing of quality assurance agreements. The general warranty period applicable in these contracts and agreements range between 18 and 36 months, and could be effective from the date of delivery of goods either to our customers or to their end customers. As a form of assurance to our customers, some of these agreements include the provision of performance or warranty bonds to cover certain claims by our customers should they arise. These performance or warranty bonds are irrevocable undertakings issued by the bank and directly enforceable by our customers and usually cover about 5% of the contract price. Furthermore, most of our aluminium alloy customer contracts demand that we take out product liability insurance.

Some of those agreements include provisions that offer our customers certain rights and protection. Please refer to the section headed "Risk Factors – Risks relating to Our Business – Certain rights we grant to our key customers under our contracts may expose us to loss". As at the Latest Practicable Date, our customers have not exercised any of their rights to suspend orders or enter our facilities and take over the manufacturing of the relevant products.

Our contracts for the supply of aluminium alloy extrusion products to our customers which are not in the rail transportation sector, i.e. in the power industry and other industries, are typically short term in duration or entered into via purchase orders on an order by order, non-project basis.

Our PE Pipe customers are all located in the PRC and are generally engaged in the supply of gas and water in the PRC. Contracts for the PE Pipes Division are typically non-project based. We generally do not enter into contracts exceeding one year with our PE Pipe customers.

During the Track Record Period, both project based contracts and non-project based contracts contributed to our total revenue from continuing operations, their respective percentage contributions are as follows:

Contribution to total revenue from continuing operations – project based contracts versus non-project based contracts	Year ended 31 December			For the three months ended 31 March
	2007	2008	2009	2010
Project-based contracts	42.6%	59.1%	58.0%	67.3%
Non-project based contracts . . .	57.4%	40.9%	42.0%	32.7%

Fixed-price Contracts and "Cost-plus" Contracts

The prices for our aluminium alloy extrusion products for our customers in the rail transportation industry comprise two components, namely our processing fees and the price of raw materials. The prices for our aluminium alloy extrusion products are determined either on (i) a fixed price basis, with a fixed average unit price whereby our processing fees and the price of raw materials (based on the traded price of aluminium prevailing on the contract date) are fixed for the entire duration and volume of the contract, or (ii) a "cost-plus" basis, whereby our processing fees are fixed for the entire duration and volume of the contract and the price of raw materials is determined based on the prevailing traded price of aluminium at the time of each order. Historically, whether our customers chose to enter into fixed price or "cost-plus" contracts with us depended on the prevailing trading price of aluminium at the time of each order and/or our customers' perception of future movements in aluminium alloy raw material price.[1] During the Track Record Period, both fixed price contracts and "cost-plus" contracts contributed to our total revenue from continuing operations, their respective percentage contributions are as follows:

Contribution to total revenue from continuing operations – fixed price contracts versus "cost plus" contracts	Year ended 31 December			For the three months ended 31 March
	2007	2008	2009	2010
Fixed price contracts	28.3%	44.9%	37.2%	53.4%
"Cost-plus" contracts.	71.7%	55.1%	62.8%	46.6%

During the Track Record Period, there has been no mismatch in raw material price agreed with our customers and that agreed with our suppliers. Therefore, we have not entered into any hedging transactions and have not adopted any hedging policies to reduce our exposure to fluctuations in prices of raw materials. In the event that there is any significant increase in the prices of these raw materials which cannot be passed on to our customers by way of a price increase, our financial performance as well as our profitability will be adversely affected. Furthermore, there is a risk that we may fail to secure fixed-price supplies of our raw materials with our suppliers in fulfilling the needs for the fixed-price customer contracts. For more information, please refer to the section headed "Risk Factors – Risks Relating to our Business – Our Aluminium Alloy Division requires a continuous and adequate supply of raw materials, which are subject to our suppliers' due performance of their contracts as well as price volatility".

[1] There is no historical observed pattern partly due to the fact that fixed-price and "cost-plus" contracts signed in a year are typically deliverable over the course of two to three years.

Processing Fees

Our processing fees vary from customer to customer depending on the complexity of product design, level of precision of the product, size of the contract, trading history and our relationship with the customer and the overall market conditions. For example, the more complex and precise products which our customers require us to produce may justify higher processing fees. By the same token, we may charge a lower processing fee if the size of the contract we enter into is large enough to maintain our profitability, or if the customer relationship is one which is strategically important for our business.

During the Track Record Period, our processing fees ranged between RMB18,500/tonne (VAT included) and RMB22,000/tonne (VAT included), and contributed between 44.0% and 51.5% to our revenue from continuing operations in the Aluminium Alloy Division. As processing fees are major sources of profit for our Aluminium Alloy Division, fixing the processing fees component of the price of our aluminium alloy extrusion products in our sales contracts helps to maintain our profitability. All the processing fee components of the prices of our aluminium alloy extrusion products in our sales contracts are fixed throughout the course of our customer contracts. For more information on the processing fees for aluminium alloy extrusion producers in the PRC, please refer to the section headed "Industry Overview – Aluminium Extrusion Market in the PRC Passenger Rail Transport Industry – Processing Fees" in this prospectus. We believe that our ability to produce aluminium alloy extrusion products for the rail transport industry which are typically larger section, of a larger weight bearing capacity and have better performance stability, will continue to allow us to have a better negotiating position with regard to our processing fees compared with producers of aluminium alloy extrusion products to other industries such as industrial applications and construction.

Our Customers

Our customer base also comprises customers in other industries such as manufacturers of power transmission and distribution equipment, manufacturers of industrial equipment and machinery, construction companies and trading companies.

One of our top five customers, Liaoyuan Yinyuan Aluminium Alloy Company Limited (遼源銀源鋁合金有限公司) ("**Liaoyuan Yinyuan**"), is also one of our top five suppliers. Liaoyuan Yinyuan is in the business of manufacturing aluminium alloy billets. Liaoyuan Yinyuan supplies us with aluminium alloy billets which are raw materials required for the manufacture of our aluminium alloy extrusion products. We order aluminium alloy billets from Liaoyuan Yinyuan according to our general policy of being in line with customers orders and delivery schedules. The main products we supply to Liaoyuan Yinyuan are aluminium alloy industrial profiles which Liaoyuan Yinyuan then sells to its customers. We supply these aluminium alloy profiles to Liaoyuan Yinyuan in accordance with the contract orders that we receive from them. The sales and purchases transactions with Liaoyuan Yinyuan are conducted separately and we do not place orders for the supply of aluminium alloy billets with Liaoyuan Yinyuan solely to satisfy the orders made for aluminium alloy profiles supplied to Liaoyuan Yinyuan. All transactions with Liaoyuan Yinyuan are recorded separately and conducted on an arm's length basis. The terms of our contracts with Liaoyuan Yinyuan do not materially differ from those with our other major customers or major suppliers (as the case may be).

We have developed close, long-term relationships with all of our major customers. We have been a repeat supplier to each of our major customers, including CNR Changchun, CNR Tangshan and CSR Zhuzhou from as early as 2003, and NPRT since 2007, as well as Alsom and Siemens for the last six years, and Bombardier for over two years.

We have been awarded the Quality Focus Global Sourcing Grade "A" International Certification awarded by Alstom and are one of the suppliers in the PRC to be included in the Alstom "Leading Partners 150" Programme, a programme by Alstom to identify 150 suppliers globally as preferred suppliers for all projects undertaken with Alstom. To obtain such certifications, we are required to pass our customers' strict qualification testing procedures which cover key areas of our operations such as management, production, integrated logistics, services, environmental, health and safety, non-conformity, corrective and preventive actions and employee training. As these certifications are subject to periodic review and evaluation, our ability to maintain these certifications attests to our consistency in delivering high quality products and maintaining quality standards. We have been engaged as a preferred global long-term supplier of aluminium alloy products for the Siemens group since 2005. We have been a certified approved supplier to Changchun Bombardier, a joint venture established by Bombardier and CNR Changchun, since 2005.

Our close relationships with our repeat customers and our customer certifications have given us a distinctive competitive advantage over other aluminium alloy suppliers to the PRC passenger rail transportation industry.

We enter into contracts for the supply of aluminium alloy extrusion products via request for quotations. There is generally no tender process for our sales in the Aluminium Alloy Division. Our pricing, track record, quality and reliability of supply are key factors that our major customers will consider when deciding to purchase from us. In particular, our certifications are a key factor in allowing us to be a volume supplier to many of our major customers.

For our customers in the PRC, we use the commodity trading prices as listed on the website of the Shanghai Metals Market (https://www.smm.cn), a leading integrated service provider in the PRC non-ferrous metal market. We set our prices based on the traded price of aluminium listed on the website of the Shanghai Metals Market prevailing on the contract date or the monthly weighted average price of aluminium listed on the website of the Shanghai Metals Market for the month of delivery or in the preceding month. For our overseas customers, we calculate our prices based on the commodity trading prices quoted on the London Metal Exchange, an internationally recognised exchange for the nonferrous metals market.

Our customers typically pay us the purchase price upon delivery. Some customers give us down payments after signing of the project contracts with the outstanding account settled after delivery. Sales made in the PRC are typically settled by bank transfers whereas our overseas customers are generally required to make payments by letter of credit payable at sight or bank transfers. We assess and provide credit terms to customers on a case-by-case basis, depending on the volume of purchases, creditworthiness and trading history of our customers. In practice, we generally provide average credit terms of 90 to 120 days to our customers.

For the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, our five largest customers in aggregate accounted for approximately 51.8%, 63.9%, 58.5% and 71.1% respectively of our total revenue from continuing operations. Sales to our single largest customer for each of 2007, 2008 and 2009 and the three months ended 31 March 2010 accounted for approximately 14.9%, 27.7%, 15.8% and 27.9% respectively of our total revenue from continuing operations. None of our directors or their respective associates, or any of our existing shareholders who, to the knowledge of our directors, own more than five per cent. of our issued share capital, has any interest in any of our five largest customers in each of 2007, 2008, 2009 and the three months ended 31 March 2010.

SALES AND MARKETING

We believe the demand for aluminium alloy extrusion and fabrication products will continue to grow rapidly in the PRC. Accordingly, we have dedicated our sales and marketing efforts to the PRC and will continue to further strengthen our leading position with a focus on the rail transportation segment.

We have undertaken several initiatives to build, maintain and develop customer relationships. We leverage on our in-depth knowledge and expertise in the aluminium alloy extrusion industry, consisting of experienced engineers and technicians, to provide technical support to our customers at their offices and facilities as and when they encounter problems. We also assist our customers by providing feedback on the specifications or feasibility of train car body component designs. In particular, we conduct regular site visits and maintain frequent communication with our customers to obtain product feedback and ensure we can meet our customers' servicing requirements.

Our sales and marketing team, which comprises qualified engineers with in-depth knowledge of our products and end users, sells and promotes our products directly to our customers. We do not engage distributors or sales agents to sell our products. We participate in industrial exhibitions, international trade shows and technological seminars in the PRC to create and enhance market awareness of our products. Prospective customers of our Aluminium Alloy Division are offered the opportunity to independently conduct their own evaluation of our production facilities and our products, which gives them added assurance and confidence in our products. We have purchased product liability insurance for our Aluminium Alloy Division. During the Track Record Period, we did not receive any material product liability claims from our customers.

We participate in tender exercises for our PE Pipe products and offer prospective PE Pipe customers the opportunity to perform their own quality control inspections by stationing their quality control staff at our production facilities.

SUPPLIERS AND RAW MATERIALS

The raw materials used in our manufacturing processes are aluminium alloy billets (for our Aluminium Alloy Division) and plastic resins (for our PE Pipes Division). Aluminium alloy billets accounted for approximately 82.0%, 83.7%, 78.7% and 81.5% of our cost of sales for our Aluminium Alloy Division for the three years ended 31 December 2007, 2008, 2009 and the three months ended 31 March 2010, respectively. We source raw materials primarily from suppliers in the PRC. We adopt a policy of procuring each type of raw material from at least two suppliers. We select our suppliers accordingly to criteria such as pricing, quality, reliability and lead time. To maintain our certifications from our major customers, we procure raw materials from suppliers who are stable and reliable in terms of quality and delivery lead-time.

We have developed long-term relationships with our key suppliers. Both of our two largest suppliers have been supplying to us for more than five years. Our suppliers of aluminium alloy raw materials are located within close proximity to our production facilities in Jilin Province, PRC. In practice, our suppliers generally provide us with credit terms of 30 or 45 days.

Our raw material procurement strategy is to avoid taking on any direct raw material price risk. We generally do not purchase or store excess raw materials in advance. We enter into fixed-price and "cost-plus" contracts with our customers. For fixed-price contracts, we seek to lock in the prices of raw materials required for the entire duration and volume of each contract, thereby substantially locking in the gross margin for that contract. In this case, there is a risk that we may fail to secure a fixed-price contract with our raw material suppliers for the fixed-price customer contracts. Please refer to the section of the prospectus headed "Risk Factors – Our Aluminium Alloy Division requires a continuous and adequate supply of raw materials, which are subject to our suppliers' due performance of their contracts as well as price volatility". For "cost-plus" contracts, any changes in raw material costs are directly passed on to our customers and we do not assume any raw material price risk. In addition, raw materials are purchased in line with customer orders and delivery schedules. The price of each batch of raw material varies as we do not purchase excess raw materials. We do not engage in any hedging transactions to manage the risk of fluctuations in prices of raw materials.

We adopt this prudent approach of procuring raw materials partly to allow us to manage the risk associated with the unlikely event that our customers cancel individual orders placed under the contracts or terminate the contracts for good cause, such as the cancellation of orders by their end-customers. We have not encountered such situation during the Track Record Period. In any event, the raw materials we purchase are products with industry standard specification which we are generally able to shift and utilise in our other projects and contracts should the need arise due to the flexible nature of the aluminium alloy extrusion production process. We are also generally able to negotiate with our suppliers and customers in finding acceptable solutions in such situations in the interest of developing and maintaining long-term relationships and given the limited number of market participants (i.e. customers, aluminium alloy extrusion producers, and raw material suppliers).

For the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, our five largest suppliers in aggregate for that year accounted for approximately 94.6%, 68.7%, 78.5% and 97.0% of our total cost of sales from continuing operations for the same periods respectively. None of our directors or their respective associates, or any of our existing shareholders who, to the knowledge of our directors, own more than five per cent. of our issued share capital, has any interest in any of our five largest suppliers in each of 2007, 2008, 2009 and the three months ended 31 March 2010. Our single largest supplier for each of 2007, 2008, 2009 and the three months ended 31 March 2010 constituted approximately 39.0%, 23.3%, 39.4% and 32.0% of our total cost of sales from continuing operations for the same periods respectively. As aluminium alloy is a commodity that is readily available in the PRC, our Directors are confident of securing alternative sources of raw materials from other suppliers in the PRC if the need arises.

MAJOR AWARDS AND CERTIFICATES

As at the Latest Practicable Date, we have received the following major awards and certificates:

Awards/Certification	Awarding body	Year of Award/ Certification
Singapore Corporate Awards "Best Investor Relations Award (Gold)" in the category of "S$300 million to less than S$1 billion market capitalisation	The Business Times, supported by the Singapore Exchange Ltd. with various partners (1)	2010
IRIS Certificate – category of manufacturing and services of aluminium alloy car body profiles for rail cars	Bureau Veritas Certification (an IRIS approved certification body)	2009
Asia "Best Under A Billion" Enterprise	Forbes Asia	2009, 2008, 2007 and 2006
EN 15085-2 certification for the welding of railway vehicles and components	GSI SLV Duisburg	2009
"Leading Partners 150" Programme, a programme by Alstom to identify 150 suppliers globally as preferred suppliers for all projects undertaken with Alstom globally	Alstom (2)	2008
Quality Focus Global Sourcing Grade "A" International Certification	Alstom (2)	2007
2007 China's Top Brand	General Administration of Quality Supervision, Inspection and Quarantine of the PRC	2007
ISO 9001:2000 quality management standard	China Xin Shi Dai Certification Center, an accredited certification body by the International Organisation for Standardisation	2007
Certified supplier of aluminium alloy extrusion products	Changchun Bombardier (2)	2005
Preferred long-term supplier of aluminium alloy products	Siemens (2)	2005

Notes:

(1) The Singapore Corporate Awards are organised by The Business Times, supported by the Singapore Exchange Ltd. with the following partners: Institute of Certified Public Accountants of Singapore, Singapore Institute of Directors, Citigate Dewe Rogerson, i.MAGE, The Corporate Governance & Financial Reporting Centre of the NUS Business School, National University of Singapore, Aon Consulting and Egon Zehnder International. Supporting partners include Securities Investors Association (Singapore) and Investment Management Association of Singapore.

(2) These awarding bodies are also our customers.

QUALITY CONTROL

We manufacture aluminium alloy extrusion products in accordance with the specifications of our customers. Our quality control team is tasked with monitoring each stage of our production process and ensuring the consistent quality of our aluminium alloy extrusion products that meets our high internal quality standards, and the stringent requirements of our customers. Our stringent and consistent quality standards are evidenced by our customers' certifications, which have been consistently renewed pursuant to our customers' periodic reviews and evaluations. We have successfully renewed all of our customers' certifications that were up for renewal during the Track Record Period.

Our system of quality control for our Aluminium Alloy Division has been certified by China Xin Shi Dai Certification Center (an accredited certification body by ISO) as being in compliance with the requirements of ISO 9001:2000, which is an internationally recognised quality management standard set by ISO. The ISO certification process involves subjecting our manufacturing processes and quality management systems to periodic reviews and observation for various periods. This certification bears testimony to our commitment to maintaining quality control management systems and the superior quality of our products.

The tests carried out by our quality control team include the following:

Incoming Quality Control

We carry out sample testing on billets to ascertain their chemical compositions so as to ensure their chemical compositions conform to our customers' order requirements. As the billets are sourced from different suppliers, we carry out tests to ensure that the chemical composition is consistent for that particular product. Other tests include tensile strength and malleability of the materials supplied to ascertain that the raw materials delivered are suitable for our purposes.

In-process Quality Control

At the extrusion and cooling stages of our production process described above, our work-in-progress products are subject to sample testing with the use of specific testing equipment for the purposes of quality control. As part of the process of producing the alloy component parts, the alloy component parts produced are subject to shaping as described above. This ensures that the dimensions and shape of our aluminium alloy extrusion products comply with our customers' specifications.

Outgoing Quality Control

Samples are taken from each batch of production to carry out a series of extensive tests on properties such as heat resistance, tensile strength, hardness, bending, impact, and pressure tolerance. Tests such as macro etching and deformation may also be carried out to determine the microstructure and macrostructure integrity. These tests are carried out by our full-time quality control inspectors with specific testing equipment in our laboratories located at our production plant in Liaoyuan City, Jilin Province, PRC.

An aluminium alloy extrusion product that fails our quality control is recycled by selling it back to our supplier who will reprocess it to produce billets. The amount of aluminium alloy being recycled is insignificant.

Our quality control team comprised 48 staff as at 31 March 2010. Since we have begun operations, our customers have neither rejected our aluminium alloy extrusion products nor made any complaints in relation to the quality of our aluminium alloy extrusion products.

TRANSPORTATION

Within the PRC, we transport our products and raw materials exclusively by road. We use sea freight primarily for international transportation of our products. We have our own transportation and delivery capabilities at our production facilities. We operate our own truck fleet, which includes 18 wheeler trucks. We also rely on third party transportation providers for some of our transportation requirements. We select these third party transportation providers based on factors such as price, reliability and length of the working relationship. The transportation services provided by these third party transportation providers do not play a significant role in our transportation process and alternative service providers are relatively easy to find, if such need arises. Payments made to third party transportation providers accounted for 17.2%, 18.4%, 18.6% and 18.4 % of our total transport related expenses for the three years ended 31 December 2007, 2008, 2009 and the three months ended 31 March 2010, respectively. We have not encountered any material disruption in the delivery of our products and raw materials for the three years ended 31 December 2007, 2008, 2009 and the three months ended 31 March 2010.

INVENTORY MANAGEMENT

Our inventory comprises raw materials and work-in-progress and finished aluminium alloy extrusion products. We believe that effective inventory management and control is critical in meeting the needs of our customers, thus ensuring the profitability of our businesses.

We place great emphasis on cost control. When a contract with our customers is signed, we will assign a budget costing for the contract specifying all the raw materials requirements in terms of quantities and specifications. Raw materials are only purchased as and when required and, in general, we manufacture our products in response to customers' orders and specifications. We generally do not purchase or store raw materials in advance. We adopt the "first-in-first-out" method of stock control method which means that raw materials received first will be used first in our production. All these measures minimise the level of our products to be maintained in our warehouse. However, for certain sizes and dimensions of aluminium alloy extrusion products which are commonly ordered by our customers, we maintain a minimum level of stock to meet the anticipated requirements of our customers.

We carry out physical stock counts to monitor our inventories and the planning and allocation of warehouse space, to coordinate with delivery requirements and schedules and optimise our operations. We carry out periodic checks on our inventory levels and carry out an overall stock count every year.

We store our inventory in our warehousing facilities which are located on our production premises.

COMPETITION

The PRC aluminium alloy extrusion industry is large and fragmented. For more information, please see the section entitled "Industry Overview – Overview of the PRC Aluminium Alloy Extrusion Industry" in this prospectus. According to CBI China, the increase of the total market size of aluminium alloy extrusion products for the PRC passenger rail transport industry from 2007 to 2009 was due to the rapid growth of the PRC passenger rail transport industry and general production expansion in the PRC train manufacturing industry, resulting in increasing downstream demand for aluminium alloy extrusion products. In addition, in the PRC, there are few aluminium alloy extrusion suppliers to the rail transportation industry with the downstream fabrication capabilities possessed by our Group. The PRC market for aluminium alloy extrusion products used in the production of high speed trains and metro train car bodies forms part of the PRC market for aluminium alloy extrusion products, which, according to CBI China, constitutes approximately 0.24% of the wider PRC market for aluminium alloy extrusion products.

As at 30 June 2010, there are a total of eight market players supplying large-section aluminium extrusion products in the PRC passenger rail transport industry. Our major competitors which supply aluminium alloy extrusion products to the PRC passenger rail transportation industry are Longkou Conglin Aluminium Co., Ltd. and Shandong Nanshan Aluminium Co., Ltd., which are PRC enterprises. Our ability to compete against these competitors is, to a significant extent, dependent on our ability to distinguish our products and services from those of our competitors on the basis of product quality, customer service and price. According to CBI China, we are one of only two aluminium alloy extrusion products suppliers in the PRC (together with Shandong Nanshan Aluminium Co., Ltd.) in our business category to be awarded the IRIS certification, an internationally recognised certification for the evaluation of management systems in the rail transport industry as of 30 June 2010. In addition, the major awards and certificates that we have received attest to the quality of our Company, our management and our products. Significantly, together with Longkou Conglin Aluminium Co., Ltd our Company drafted the industry standards for aluminium alloy extrusion products for China's high speed rail transport industry. We believe that our competitive advantages over our competitors include our leading market position, track record, high product quality, customer recognition, stable customer base, strategically located production facilities, experienced management team and downstream fabrication capabilities.

Our close relationships with our repeat customers and our customer certifications have given us a distinct competitive advantage over other aluminium alloy suppliers to the PRC passenger rail transport industry.

We believe that although the aluminium alloy extrusion industry is competitive, the barriers to entry for the passenger rail transportation sector in this industry in the PRC are relatively high. The passenger rail transportation sector in the aluminium alloy extrusion industry in the PRC is capital intensive and requires significant technical know-how and expertise. We believe that the considerable time, experience and resources required to establish the manufacturing capability, track record, customer relationships and to achieve the stringent quality standards and certification requirements serve as significant barriers to entry to supplying large-scale aluminium alloy extrusion products to the passenger rail transportation industry in the PRC and internationally.

Despite potential competition, we believe that our Company is able to compete effectively based on our competitive strengths. Please see further details of our competitive strengths set out in the section above entitled "Competitive Strengths".

EMPLOYEES & TRAINING

As at 31 December 2007, 2008 and 2009, we had 569, 674 and 977 employees, respectively, all of whom are full-time employees and substantially all of whom are based in the PRC.

As at 31 March 2010, we had a total of 999 employees. As at 31 March 2010, the functional distribution of our employees is as follows:

Function	
Corporate	13
Aluminium Alloy Division	
Management	5
Administration and Finance	120
Marketing and Sales	72
Technical/Production	692
PE Pipes Division	97
Total	**999**

We incurred total labour costs of approximately S$5.0 million, S$5.9 million, S$8.3 million and S$2.7 million from continuing operations for each of the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively, representing 5.7%, 5.6%, 7.6% and 7.6% of our total expenses from continuing operations for those periods, respectively.

All of our employees are paid a fixed salary, a discretionary year-end bonus and may be granted other allowances, based on their performance and position. We regularly review our compensation and benefits policies to ensure that our practices are in line with applicable labour regulations. In accordance with applicable PRC laws, we participate in a pension contribution plan, a medical insurance plan, an unemployment insurance plan, a maternity insurance plan and a work place injury insurance plan. We also provide a general housing fund for our employees (with Wanshida and Beijing Midas commencing contribution to the housing funds in January and February, 2010, respectively). In addition, our employees, having fulfilled certain criteria, are eligible to participate in our ESOS. For further details on our ESOS, please refer to the section headed "Statutory and General Information – Principal Terms of the ESOS" in Appendix VI to this prospectus.

We are committed to the long term career development of our employees by providing on-the-job training programmes to enhance their skills and increase their productivity. Due to the nature of our business, most of our staff training is conducted in-house. Our in-house training programmes are tailor-made to meet our operational and market needs. Training programmes such as operational and manufacturing procedures, quality assurance standards, product knowledge, sales techniques and specific market knowledge are conducted by our team heads, heads of department or by external trainers. We place high emphasis in the areas of operational and manufacturing procedures and quality assurance standards to ensure that all our staff understand the nature of their respective jobs. Our employees understand the importance of strict compliance with documented procedures to produce high quality products.

Our employees are not unionised. Our Directors consider the relationship and cooperation between the management and staff to be good. There has not been any incidence of strikes, labour disputes or industrial actions since our inception.

INTELLECTUAL PROPERTIES

As at the Latest Practicable Date, we had registered two trademarks in the PRC. As at the Latest Practicable Date, we are in the process of applying for registration for certain trademarks in Hong Kong and the PRC. For further details of our intellectual property portfolio (including trademarks we have registered or applied for registration), please see the section headed "Statutory and General Information – Further Information about Our Business" in Appendix VI to this prospectus.

We actively take steps to protect and manage our intellectual property rights. As of the Latest Practicable Date, we are not involved in any proceedings in respect of, and are not aware of any claims of infringement of any intellectual property rights that may be threatened or pending, and which had a material effect on our business as of the Latest Practicable Date.

PROPERTIES

As at the Latest Practicable Date, we operated our businesses through three owned properties in the PRC for our production facilities, workshops, offices and other places of operations. We also rented an office unit in Beijing as office space for Midas Beijing, our Agency and Procurement Division, which ceased all business operations in March 2009.

These owned properties comprised: (i) the land use rights to six parcels of land with a total site area of approximately 485,363.1 square metres; and (ii) building ownership certificates to 32 buildings with a total gross floor area of approximately 141,193.1 square metres.

We have obtained all the required land use rights and building ownership certificates for all our properties. We believe that our current properties will meet our future needs and are consistent with our business plans.

For further details of our properties, please refer to the Property Valuation Report set forth in Appendix III to this prospectus.

COMPLIANCE WITH RULES AND REGULATIONS

Save as disclosed in this prospectus and certain instances of non-compliances set out below, the Company has obtained all licences, approvals and permits for its business activities and complied with all the rules and regulations in the PRC and Singapore, where it has operations in, during the Track Record Period and up to the Latest Practicable Date.

General Housing Fund and Maternity Insurance

Wanshida started contributing to the relevant employee housing fund from January 2010. Prior to this, Wanshida has not made any contribution to the employee housing fund since it was acquired in April 2002. We have been advised by our PRC legal advisers that the Ruicheng Administration Department of Yuncheng City Housing Funds Administration Centre, which is the competent housing fund administration authority of Wanshida, has issued a letter to confirm that it will neither impose a fine on nor require supplemental payment from Wanshida for its non-contribution to the employee housing fund which existed before January 2010. In the same letter, the Ruicheng Administration Department of Yuncheng City Housing Funds Administration Centre also confirmed that Wanshida had begun making contributions to the employee housing fund in January 2010.

Wanshida started contributing towards the employee maternity insurance fund from January 2010. Prior to this, Wanshida has not made any contribution towards the fund since it was acquired in April 2002. We have been advised by our PRC legal advisers that the Shanxi Province Ruicheng County Bureau of Human Resources and Social Insurance, which is the competent social insurance administration authority of Wanshida, has issued a letter to confirm that it will neither impose a fine nor require supplemental payment from Wanshida for its non-contribution to the employee maternity insurance fund which existed before January 2010. In the same letter, the Shanxi Province Ruicheng County Bureau of Human Resources and Social Insurance also confirmed that Wanshida had begun making contributions to the maternity insurance fund in January 2010.

Our PRC legal advisers are of the opinion that, based on the confirmation letters issued by the Ruicheng Administration Department of Yuncheng City Housing Administration Centre and the Shanxi Province Ruicheng County Bureau of Human Resources and Social Insurance, Wanshida will neither be required to make any supplemental payment for contribution to the employee housing fund or maternity insurance fund before January 2010, nor be imposed with a fine or any other penalties for not contributing to the employee housing fund and maternity fund which existed before January 2010.

Beijing Midas started contributing to the relevant employee housing fund from February 2010. Prior to February 2010, Beijing Midas did not make any contribution to the employee housing fund as Beijing Midas was not aware of the requirement to do so despite it being a compulsory requirement since it was established in November 2005. However, the Company began contributing to the employee housing fund once it became aware of the contribution requirement. We have been advised by our PRC legal advisers that the Chaoyang Department of Beijing Housing Fund Administration Centre, which is the competent housing fund administration authority of Beijing Midas, has issued a letter to confirm that Beijing Midas has opened a housing fund account and had begun making contributions to the employee housing fund in February 2010. The same letter did not mention whether Beijing Midas would be required to pay a penalty for its non-contribution to the employee housing fund which existed before February 2010. Under the Regulation on the Administration of Housing Funds (amended on 24 March 2002), enterprises are required to pay into the housing fund on time and in full amount for all employees. If an enterprise fails to register its employee housing fund payment, the housing fund management can order it to register such payment within a prescribed time limit. If the enterprise fails to comply with the time limit for registering payment, it may be fined between RMB10,000 and RMB50,000. If an enterprise fails to pay the housing fund for its employees, the housing fund management centre shall order it to make payments within the prescribed time limit; if it fails to do so within the time limit, the housing fund management centre can apply to the people's court for enforcement. In relation to Beijing Midas' outstanding contributions to the employee housing fund that should have been made before February 2010, which amount in aggregate to approximately RMB128,000, the substantial shareholders of the Company, Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick, have given irrevocable and unconditional undertakings to make full compensation to Beijing Midas if it is required to make supplemental payments into the employee housing fund by the competent housing fund administration authority and/or the past and present employees of Beijing Midas. The substantial shareholders have also undertaken to indemnify Beijing Midas for any fines that may be imposed on it by the competent housing fund administration authority for its failure to make the required contributions to the employee housing fund before February 2010.

We believe the aforementioned isolated instances of non-compliance incidents were largely the result of an oversight in the continuous close monitoring of the regulatory environment in the Company's internal legal compliance system. We proactively took positive measures immediately after the occurrence of such non-compliance incidents to further strengthen our internal control system, such as emphasising on the importance of legal compliance and working closely with our PRC legal advisors and internal compliance personnel to enhance overall compliance awareness. The general managers of our subsidiaries are typically responsible for internal compliance matters. In light of the non-compliance incidents, to improve our Company's internal control systems on an ongoing basis, we have provided, and will continue to provide, relevant training to our general managers on how to oversee and monitor the fast changing legal and regulatory environment so as to prevent the occurrence of similar incidents in the future. Other than the aforementioned incidents, to the best knowledge of the Directors, having made due and careful enquiries, we have not been involved in any non-compliance matters as at the Latest Practicable Date.

Sub-lease of Collectively-owned Land by Jilin Midas

In 2001, as part of the establishment of Jilin Midas, Jilin Midas acquired certain assets from Liaoyuan City Aluminium Factory, comprising mainly the 75MN aluminium alloy extrusion press, ancillary equipment, land use rights and building. Simultaneously with this acquisition, Jilin Midas entered into a sub-lease agreement on 30 December 2001 with Liaoyuan City Aluminium Factory whereby Jilin Midas sub-leased a piece of collectively-owned farm land with an area of 5,010.72 square meters from Liaoyuan City Aluminium Factory. The lessor from whom Liaoyuan City Aluminium Factor had leased the collectively-owned farm land is Liaoyuan City Longshan District Gongnong Town Weitang Village (the "Village"). Subsequently, it has recently come to our attention that, according to PRC laws, this piece of collectively-owned farm land cannot be leased for non-agricultural use. We have been advised by our PRC legal advisers that the sub-lease agreement is null and void and we may be ordered by the relevant land administrative authority to demolish the buildings or facilities on the land and restore the land to its original state. In addition, we may be subject to a maximum fine of RMB150,321.60. We were not aware of the violation when entering into the sub-lease agreement.

Jilin Midas had not used the farm land for any purpose since the date of the sub-lease and there is currently only a perimeter wall built on the land, the estimated construction cost of which was approximately RMB187,000. According to a confirmation agreement entered into between Liaoyuan City Longshan District Gongnong Town Weitang Village Committee ("Village Committee") and Jilin Midas on 22 June 2010, the Village Committee confirmed, among other things, that (a) it agreed to the construction of the perimeter wall on the sub-leased farm land and it has been the legal owner of such wall on behalf of the Village since the date of its construction; (b) Jilin Midas has not used the farm land for production operation and has not engaged in any other activity without the Village Committee's prior consent; (c) from the date of the confirmation agreement, the Village Committee will use and manage the farm land directly, including but not limited to, demolishing the perimeter wall at its own costs as it deems fit. The Village Committee also guaranteed that (a) Jilin Midas would not be penalized by any government authority as a result of entering into the sub-lease agreement and occupying and utilising the farm land to build the perimeter wall; and (b) it would unconditionally and irrevocably indemnify Jilin Midas for any penalties and fines imposed by the relevant government authorities in connection with Jilin Midas' entering into the sub-lease agreement, occupying and utilising the farm land and building the perimeter wall thereupon. As at the date of this prospectus, no fine has been imposed and we believe it is unlikely any fine will be imposed on Jilin Midas with respect to its occupation of the land.

Nonetheless, Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick, our substantial shareholders, have undertaken to indemnify Jilin Midas for any fines arising from the sub-lease. Save as described above, Jilin Midas will not be subject to any other fines or legal liabilities with respect to its occupation or use of this piece of land.

ENVIRONMENTAL AND SAFETY REGULATIONS

Our manufacturing operations are required to comply with the relevant PRC environmental law and regulations. We are subject to periodic checks conducted by local environmental protection authorities in the PRC. We believe that our operations do not produce material levels of noise, industrial waste or other hazardous waste that violate the applicable environmental standards and measures in the PRC.

Manufacturing businesses in PRC are subject to PRC environmental laws and regulations, which include the PRC Environmental Protection Law, the PRC Law on the Prevention and Control of Water Pollution, the PRC Law on the Prevention and Control of Atmospheric Pollution, the PRC Law on the Prevention and Control of Pollution From Environmental Noise, the PRC Law on the Prevention, Control of Environmental Pollution by Solid Waste and the Provisional Measures on Administration of License for the Discharge of Water Pollutants (collectively as the "Environmental Law").

According to the Environmental Laws, all business operation that may cause environmental pollution and other public hazards are required to incorporate environmental protection measures into their plans and establish a reliable system for environmental protection. Enterprises discharging pollutants must register with relevant environmental protection administration authorities. Enterprises are also required to carry out an environment impact assessment before commencing construction of production facilities and install pollution treatment facilities that meet the relevant environmental standards to treat pollutants before discharge. The pollution treatment facilities must be designed, built and used together with the principal part of the production facilities.

The competent environmental protection administration authorities have the right to make site inspections of enterprises that discharge pollutants within their administration and supervision area. The enterprise being inspected shall truthfully report the situation to the authorities and provide them with the necessary information. The inspecting authorities shall keep confidential the technological know-how and business secrets of the enterprise inspected.

According to the confirmation letters issued by competent administration authorities and the relevant documents and confirmations of the relevant companies, Jilin Midas and Wanshida (as subsidiaries of the Company in China) have obtained all the licenses, approvals and permits for its business activities and complied with all the relevant PRC laws and regulations since their establishment. In addition, according to the business scope in the business license of Beijing Midas which is a subsidiary of the Company in China, the current business operation of Beijing Midas does not give rise to any environmental protection matters.

We cannot predict the impact of unforeseeable environmental contingencies or new or changed laws or regulations on our existing or planned projects and production lines that we may develop in the future. We intend to prevent any potential future environmental risks by continuing to comply with relevant PRC environmental laws and regulations. We will also continue to educate our employees in relation to the importance of environmental protection and keep abreast with developments in PRC environmental protection laws and regulations through regular dialogue with the relevant local PRC authorities. As our Company's production process only produces a small amount of industrial wastes and general environmental pollutants, we incurred insignificant costs in connection with environmental compliance during the Track Record Period.

Our Directors confirm that for the three years ended 31 December 2007, 2008, 2009 and the three months ended 31 March 2010, we have been in compliance with PRC environmental laws and regulations which are applicable to us in all material respects and we are not currently subject to any material environmental claims, lawsuits, penalties or disciplinary actions.

Our Directors confirm that as of the Latest Practicable Date, we have not experienced any workplace accidents causing death or serious bodily injury in the course of our business operations.

INSURANCE

Our Aluminium Alloy Division has taken out insurance coverage in respect of the following:

(a) property comprehensive insurance on plant, machinery and inventory against natural calamities (including fire) and theft;

(b) product liability insurance; and

(c) cargo transportation insurance.

Our goods in transit are covered under insurance policies taken by the transport companies. Insurance coverage for our fixed assets amounted to approximately S$205.2 million as of 31 December 2009. As at the Latest Practicable Date, we have not made any material claims under our insurance policies and have not experienced any material business interruptions since our Group commenced operations. Our Directors believe that the above policies are adequate and will review our Group's insurance coverage on an annual basis.

LEGAL PROCEEDINGS

As at the Latest Practicable Date, we were not a party to any material arbitration, or legal proceedings which could be expected to have a material adverse effect on our business or results of operations and we are not aware of any pending or threatened arbitration or legal proceedings against us which could be expected to have a material adverse effect on our business or results of operations. We may from time to time become a party to various arbitration or legal proceedings arising in the ordinary course of our business.

The following material waivers have been applied for and granted from the Stock Exchange and/or the SFC on the basis that our Company's listing in Hong Kong is a secondary listing and not a primary listing and that all Shareholders of our Company, including Hong Kong Shareholders, are adequately protected in relation to the subject matter of the waivers by the relevant laws, regulations and listing rules of our Company's home jurisdiction of Singapore.

DEALINGS IN THE SHARES PRIOR TO LISTING

According to Rule 9.09(b) of the Listing Rules, there must be no dealing in the securities of a new applicant for which listing is sought by any connected person of the issuer from the date which is four clear days before the listing hearing date until listing is granted. In the context of a secondary listing of a widely held, publicly traded company, our Company has no control over the investment decisions of its shareholders. Our Company has applied for a waiver from strict compliance with Rule 9.09(b) of the Listing Rules which restricts such dealings in the Shares prior to Listing.

The Stock Exchange has granted the waiver subject to the following conditions:

(i) the Directors (including Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick) and their associates will not deal in the Shares from the time of four Business Days before the expected hearing date until listing is granted;

(ii) The Capital Group does not and will not be involved in the Company's management and operation and flotation exercise before listing on the Stock Exchange;

(iii) the Company shall notify the Stock Exchange of any dealing or suspected dealing by any connected persons during the time of four Business Days before the expected hearing date until listing is granted; and

(iv) the Company will release all price sensitive information to the public required by relevant laws and regulations so that anyone who may deal in the Shares under this waiver will not possess any price sensitive information which has not been released to the public.

In addition, our Company has undertaken that no non-public information will be disclosed to The Capital Group at all material times. Our Company has also undertaken to the Stock Exchange that it will release all price sensitive information to the public as required by the relevant laws and regulations applicable to our Company so that anyone who may deal in the Shares as a result of this waiver will not be in possession of any non-public price sensitive information. The Sole Sponsor has undertaken that it will use all reasonable endeavours to ensure that no non-public information will be disclosed to any such substantial shareholder and potential substantial shareholders (other than Mr. Chen and Mr. Chew) at all material times. As at the Latest Practicable Date, our Company is not aware of any connected persons who may not be able to comply with Rule 9.09(b) of the Listing Rules.

SUBSCRIPTION FOR SHARES BY EXISTING SHAREHOLDERS

Rule 10.04 of the Listing Rules requires that existing shareholders may only subscribe for securities provided no securities will be offered to them on a preferential basis and no preferential treatment will be given to them in the allocation of the securities. The Company has applied for, and the Stock Exchange has granted a partial waiver, to the extent necessary to include existing shareholders in the "book-building" process described in the section headed "Structure of the Global Offering – Pricing of the Global Offering" in this prospectus. The waiver is conditional on (i) the Company and the Sole Sponsor obtaining confirmation from the Directors and substantial shareholders of the Company that (a) they, and each of their associates, will not participate directly or indirectly in the International Placing, and (b) they shall provide a list of institutions through which they hold Shares; (ii) existing Shareholders proposed to be permitted to participate in the International Placing (the "Participating Shareholders") confirming to the Company and the Sole Sponsor that (a) they are not connected persons or persons who will become connected persons immediately upon completion of the Global Offering; (b) the subscription for Shares by them is not being financed directly or indirectly by connected persons; and (c) they are not instructed by connected persons in making the subscription for Shares; (iii) the Company and the Sole Sponsor confirming that none of the Participating Shareholders has any influence over the Share allocation process or have any representation on the board of Directors; and (iv) the Company and the Sole Sponsor confirming that they will not give any preferential treatment to the Participating Shareholders in the allocation process. The Company has also applied for, and the Stock Exchange has granted, consent under paragraph 5(2) of Appendix 6 to the Listing Rules which states that no allocations will be permitted to be made to existing shareholders of a listing applicant or their associates.

SHARE REPURCHASE AND TREASURY SHARES

According to Rule 10.06(5) of the Listing Rules, an issuer must ensure that the documents of title of purchased shares are automatically cancelled and destroyed as soon as reasonably practicable following settlement of any such purchase. Under the Singapore Companies Act, Shares that are repurchased by our Company shall, unless held in treasury, be deemed to be cancelled immediately on purchase or acquisition. Our Company has the option to hold repurchased Shares in treasury (with the option to dispose pursuant to the Singapore Companies Act, instead of automatically cancelling them). If our Company chooses to hold repurchased Shares in treasury, instead of cancelling them, it would not be in compliance with the first requirement under Rule 10.65(5). In addition, Rule 19.43 (2) of the Listing Rules provides that the Stock Exchange will be prepared to waive the requirement to cancel and destroy the documents of title of purchased shares in the case of an overseas issuer whose primary exchange permits treasury stock, provided that the overseas issuer must apply for the relisting of any such shares which are reissued as it were a new issue of those shares. Our Company currently holds 1,000,000 treasury Shares, which is permissible under the Singapore Companies Act and the Listing Manual. For further information on treasury shares under the Singapore Companies Act, please see "Appendix V-A – Summary of the Constitution of our Company and the Salient Provisions of the Laws of Singapore – Treasury Shares" to this prospectus. Our Company intends to have the option to continue to hold repurchased Shares in treasury in the future and will apply for the relisting of any such treasury Shares which are reissued as if they were a new issue of those Shares in accordance with Rule 19.43(2) of the Listing Rules. Accordingly, our Company has applied for, and the Stock Exchange and the SFC have granted, a continuing waiver from strict compliance with Rules 10.06(5) and 19.43(2) of the Listing Rules with respect to our current and future Shares held in treasury, subject to the following conditions:

(i) is primary listed on the SGX-ST and secondary listed on the Stock Exchange and will apply from the Stock Exchange for the relisting of any such treasury Shares which are reissued under Rule 19.43(2) of the Listing Rules;

(ii) will comply with the Singapore Companies Act and the Listing Manual regarding the treasury Shares and inform the Stock Exchange of any failure to comply or any waiver to be granted;

(iii) will inform the Stock Exchange of any change being made to the Singapore regime on treasury Shares;

(iv) will confirm compliance with the waiver conditions in the Company's annual reports, circulars or other relevant documents to Shareholders seeking approval of the repurchase mandate; and

(v) will comply with the relevant provisions on changes to the Hong Kong regulatory regime and the Listing Rules regarding treasury Shares.

As part of this waiver application, our Company and the Stock Exchange have agreed to a list of modifications to a number of Listing Rules necessary to enable our Company to hold our current and future treasury shares. The modifications to the Listing Rules also reflect various consequential matters to deal with the fact that our Company may hold treasury shares in the future. Going forward, our Company will also submit to the Stock Exchange any further consequential modifications to the Listing Rules on an annual basis and have them agreed with the Stock Exchange from the outset. Such consequential modifications will also be subject to announcement requirements and disclosures in the annual report. With regard to general disclosure, our Company will disclose, apart from the relevant figures, details on (i) how we will use our treasury Shares; and (ii) how we used our treasury Shares in our quarterly or annual financial statements under the section describing the changes in share capital.

By way of summary, the modifications relate to certain Listing Rules which contain a calculation by reference to our Company's issued share capital, in so far as they apply to our Company, so that any Shares which our Company holds in treasury from time to time are excluded for the purposes of such calculation. In addition, the definition of market capitalisation in the Listing Rules has been modified such that for the purpose of calculating the market capitalisation of our Company pursuant to the relevant Listing Rule, any treasury Shares held by our Company are excluded from such calculation. For a full list of the modifications agreed between our Company and the Stock Exchange, please see "Appendix V-B – Modifications of the Listing Rules" to this prospectus. The list has included modifications to a number of Listing Rules enabling our Company to hold treasury shares currently and in the future.

ESOS

According to Rule 19.42 of the Listing Rules, the Stock Exchange may be prepared to vary the requirements applicable to schemes involving the issue of or grant of options over shares or other securities by listed issuers to, or for the benefit of, executive and/or employees set out in Chapter 17 of the Listing Rules for an overseas issuer if its primary listing is or is to be on another stock exchange where different requirements apply. As our Company is primary listed on the SGX-ST, our Company's ESOS is already required to comply with the provisions under the Listing Manual. Our Directors are of the view that the deviation of the terms of the ESOS from the Listing Rules is not materially significant, and the level of protection given to Shareholders under the Listing Manual is commensurate with that under the Listing Rules. Our Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Chapter 17 of the Listing Rules in its entirety subject to the conditions that:

(i) the Company complies with the relevant rules and regulations under the Singapore Companies Act, the SGX-ST listing requirements and the Company's constitutional documents; and

(ii) the Company is primary listed on the SGX-ST and secondary listed on the Stock Exchange.

The Company's existing ESOS will not contain all of the provisions required by Chapter 17 of the Listing Rules to be included in such scheme documents. For details of our ESOS, please refer to "Appendix VI – Statutory and General Information – Principal Terms of the ESOS" of this prospectus.

CONTINUING OBLIGATIONS

Notifiable Transactions and Connected Transactions

Chapters 14 and 14A of the Listing Rules provide for a range of continuing obligations which apply to an issuer listed on the Stock Exchange, including in relation to "Notifiable Transactions" and "Connected Transactions". As our Company was incorporated in Singapore and is primary listed on the SGX-ST, our Company is already subject to a wide range of continuing obligations, which are broadly commensurate with the shareholder protections under Chapters 14 and 14A of the Listing Rules. For details regarding the rules and regulations under the Listing Manual relating to independent shareholders' approval or preparation of a shareholder circular on notifiable transactions and connected transactions, please refer to the "Appendix V-A – Summary of the Constitution of our Company and the Salient Provisions of the Laws of Singapore" to the prospectus.

Other Continuing Obligations

- Rules 13.11 to 13.22 of the Listing Rules require disclosure of information in relation to specified matters relevant to the Company's business, including in relation to advances to an entity, financial assistance and guarantees to affiliated companies of an issuer, pledging of shares by the controlling shareholder, loan agreements with covenants relating to specific performance of the controlling shareholder, and breach of loan agreement by an issuer. The Company will instead make disclosures for all such matters where these are relevant to the general obligation of disclosure under Rule 13.09(1) of the Listing Rules.

- Rule 13.23 of the Listing Rules requires compliance with Chapters 14 and 14A as well as the Hong Kong Takeovers Code. The Company has applied for, and the SFC has granted, a ruling that our Company should not be treated as a "public company in Hong Kong" for the purposes of Section 4.1 of the Hong Kong Takeovers Code.

- Rules 13.40, 13.41 and 13.42 of the Listing Rules relate to options to vote against resolutions by shareholders at the general meetings who are required to abstain from voting in favour of such resolutions. Under Rule 919 of the Listing Manual, an interested person and any associate of the interested person must abstain from voting on all resolutions relating to interested person transactions. No option is given to such interested shareholders to vote against the resolutions at the general meeting, regardless whether their intention to do so has been stated in the relevant listing document or circular to shareholders. The Company will contravene the relevant provisions of the Listing Manual if it is required to comply with Rules 13.40, 13.41 and 13.42 of the Listing Rules.

- Rules 13.46(2) and 13.48 of the Listing Rules require the issuer to send a copy or summary of its interim report and annual report to its shareholders. The Company currently adopts the practice of sending hard copies of annual reports to Shareholders, which is the market practice in Singapore. However, consistent with the market practice in Singapore, the Company does not have the practice of preparing summaries of its interim and annual reports, or sending a copy of its interim report to Shareholders. The Company will only comply with these Listing Rules with respect to the delivery of its annual reports to Shareholders in Singapore and Shareholders with registered addresses in Hong Kong who have specifically requested for hard copies of annual reports with prior written notice subject to Rule 2.07A of the Listing Rules under which Shareholders may agree to receive corporate communications by making them available on the Company's website.

Our Company has applied for, and the Stock Exchange has granted, a waiver from (i) the operations of the relevant provisions under Chapter 13 of the Listing Rules, and (ii) Chapters 14 and 14A of the Listing Rules, subject to the following conditions:

(i) the Company complies with the relevant rules and regulations under the Singapore Companies Act, the SGX-ST listing requirements and the Company's constitutional documents; and

(ii) the Company is primary listed on the SGX-ST and secondary listed on the Stock Exchange.

NOT A PUBLIC COMPANY IN HONG KONG

Section 4.1 of the Hong Kong Takeovers Code applies to takeovers, mergers and repurchases affecting public companies in Hong Kong and companies with a primary listing in Hong Kong.

Our Company has applied for, and the SFC has granted, a ruling that our Company should not be regarded as a "public company in Hong Kong" for the purposes of Section 4.1 of the Hong Kong Takeovers Code. This ruling may be reconsidered by the SFC in the event of a material change in information provided to the SFC.

Our Company is subject to the provisions of the Singapore Takeovers Code concerning takeovers. Please refer to "Appendix V-A – Summary of the Constitution of our Company and the Salient Provisions of the Laws of Singapore – Takeover Obligations" of this prospectus.

In addition, our Company is subject to the provisions of the Singapore Companies Act concerning share repurchases. Please refer to "Appendix V-A – Summary of the Constitution of our Company and the Salient Provisions of the Laws of Singapore" of this prospectus.

DIRECTORS

Our Board is responsible and has general powers for the management and conduct of our business. The table below shows certain information in respect of the members of the Board:

Name	Age	Position
(1) Chen Wei Ping	50	Executive Chairman
(2) Chew Hwa Kwang, Patrick. . .	48	Chief Executive Officer
(3) Tong Wei Min, Raymond . . .	44	Non-executive Director
(4) Chew Chin Hua.	55	Independent Non-executive Director
(5) Chan Soo Sen	54	Independent Non-executive Director
(6) Xu Wei Dong	51	Independent Non-executive Director

EXECUTIVE DIRECTORS

Chen Wei Ping

Mr. Chen, aged 50, was appointed as our Director on 21 August 2002 and has been Executive Chairman of our Company since March 2003. Mr. Chen is instrumental in developing and steering our Group's corporate directions and strategies. He is responsible for the effective management of business relations with our strategic partners. In addition, Mr. Chen spearheaded the listing of our Company's Shares on the SGX-ST on 23 February 2004. Mr. Chen has more than twenty years of management experience. He began his career as the director of Business Section for the Planned Economy of Jilin Province in 1984. He was the vice-manager of Jilin Provincial Local Live-Stock Corp., Hainan Company, a state-owned entity in the PRC, from 1987 to 1992, before becoming the general manager of another state-owned entity in the PRC, Jilin Provincial International Industry & Commerce Development Corp. He joined Sinotani Pacific Pte Ltd, a company engaged in the business of general importers and exporters and wholesale trading activities, in 1997 to be its marketing manager. From 1998 to 2003, Mr Chen was Executive Director of Raffles LaSalle Limited (now known as Raffles Education Corporation Limited[1]). He holds a Bachelor Degree in Economics from Jilin Finance & Trade College (PRC) and a Master Degree in Economics from Jilin University (PRC). Mr. Chen did not hold any directorship with any other listed company in Hong Kong or elsewhere during the Track Record Period.

Chew Hwa Kwang, Patrick

Mr. Chew, aged 48, is a founding member of our Group and is our Chief Executive Officer who is responsible for the overall operations and finance of our Group and its financial well-being. Mr. Chew is responsible for identifying future business opportunities and services which our Group may provide to drive future growth. Mr. Chew is also in charge of overseeing the day-to-day management of our Group as well as our Group's strategic and business development. Mr. Chew has been appointed as our executive Director since 17 November 2000. He played a major role in the listing of our Company's shares on the SGX-ST on 23 February 2004. Mr. Chew has more than twenty years of management experience. He started out as an entrepreneur in 1983 and was a director in several private companies engaged in the business of general importers and exporters from 1983 to 1999. From 1996 to 1999, he played a key role in the development of several colleges under Raffles LaSalle Limited (now known as Raffles Education Corporation Limited[1]) group in Beijing, Huizhou and Changchun in the PRC, before establishing our Company and its subsidiaries. Mr. Chew did not hold any directorship with any other listed company in Hong Kong or elsewhere during the Track Record Period.

1 Raffles Education Corporation Limited held shareholding interests of 51.2% and 63.6% in China Education Limited and Hartford Education Corporation Limited, respectively at the time of the respective delistings. As Raffles Education Corporation Limited was listed on the SGX-ST as well, the delisting of China Education Limited and Hartford Education Corporation Limited allowed Raffles Education Corporation Limited to streamline, re-organise and integrate the management of its business activities under a single listed vehicle to avoid the duplication and reduce the additional costs arising from having three listed vehicles in the same group of companies.

Mr. Chew was a director of Sinotani Pte Ltd., a company engaged in the business of general importers and exporters and wholesale trading activities. The company had obtained banking credit facilities for its trading operations in August 1995. The line of credit was secured, among other things, by a personal guarantee by Mr. Chew. Subsequently, the company went into financial difficulties when one of its shipments was hit by a tropical cyclone which resulted in huge financial loss. The company went into liquidation on 25 July 1997 and Mr. Chew, among other things, agreed to a consent judgement to pay the bank a lump sum of S$1.5 million as full and final settlement which has been fully repaid.

NON-EXECUTIVE DIRECTOR

Tong Wei Min, Raymond

Mr. Tong, aged 44, was appointed as an independent non-executive Director on 15 November 2008, and was redesignated as non-executive Director on 17 March 2010. Mr. Tong is a member of the audit committee, remuneration committee and nominating committee of our Company. He is a partner at WongPartnership LLP. The Board considers Mr. Tong to be independent according to the Listing Manual. However, for the purpose of the secondary listing and the Global Offering, as Mr. Tong is not considered to be independent under the Listing Rules, he has agreed to the above-mentioned redesignation. Mr. Tong graduated from the University of Nottingham with a Bachelor of Laws (Honours) degree and is a Barrister at Law (Middle Temple). He was admitted to the Singapore Bar in 1993 and worked at David Lim & Partners and Shook Lin & Bok LLP as an associate and a partner respectively before joining WongPartnership LLP in 2000. WongPartnership LLP has been engaged by our Company to advise on legal matters from time to time since our listing on the SGX-ST in 2004. In the course of his legal career, Mr. Tong has advised on numerous capital markets transactions including initial public offerings and subsequent fund-raising transactions. He has also advised extensively on corporate governance and compliance issues. He was a director of China Education Limited, a subsidiary of Raffles Education Corporation Limited[1] which was previously listed on the Australian Securities Exchange and the SGX-ST and which was delisted from both exchanges in May 2008[2]. The delisting of China Education Limited did not in any way affect Mr. Tong's ability to carry out his duties as a director of China Education Limited. Mr. Tong is currently a director of China Auto Corporation Ltd., a company listed on the SGX-ST (Stock Code: A01). Save as disclosed above, Mr. Tong did not hold any directorship with any other listed company in Hong Kong or elsewhere during the Track Record Period.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Chew Chin Hua

Mr. Chew, aged 55, was appointed as an independent non-executive Director on 6 January 2004. Mr. Chew is the chairman of the audit committee and a member of the remuneration committee and nominating committee of our Company. Mr. Chew is a member of the Association of Chartered Certified Accountants and the Institute of Certified Public Accountants in Singapore and has many years of experience in the accounting and auditing profession. He was previously a practising certified public accountant in a firm which he co-founded in 1992. Prior to that, he was employed as a senior audit manager in Coopers & Lybrand, where he led and managed the audit engagement of listed and non-listed companies. He was a director of Hartford Education Corporation Limited, a subsidiary of Raffles Education Corporation Limited[1] which was previously listed on the SGX-ST and which was delisted in July 2008[2]. The delisting of Hartford Education Corporation Limited did not in any way affect Mr. Chew's ability to carry out his duties as a director

1 Based on the 2009 annual report of Raffles Education Corporation Limited.

2 Raffles Education Corporation Limited held shareholding interests of 51.2% and 63.6% in China Education Limited and Hartford Education Corporation Limited, respectively at the time of the respective delistings. As Raffles Education Corporation Limited was listed on the SGX-ST as well, the delisting of China Education Limited and Hartford Education Corporation Limited allowed Raffles Education Corporation Limited to streamline, re-organise and integrate the management of its business activities under a single listed vehicle to avoid the duplication and reduce the additional costs arising from having three listed vehicles in the same group of companies.

of Hartford Education Corporation Limited. He is currently a director of Heeton Holdings Limited, a company listed on the SGX-ST (Stock Code: 5DP). Save as disclosed above, Mr. Chew did not hold any directorship with any other listed company in Hong Kong or elsewhere during the Track Record Period.

Chan Soo Sen

Mr. Chan, aged 54, was appointed as an independent non-executive Director on 29 June 2006. Mr. Chan is the chairman of the nominating committee and remuneration committee, and a member of the audit committee of our Company. He is currently the Executive Vice President of Singbridge International Singapore Pte. Ltd., and Member of Parliament for Joo Chiat Constituency in Singapore. Mr. Chan was a Minister of State and has served in several ministries including the Ministry of Education, Ministry of Trade and Industry and Ministry of Community Development, Youth and Sports. Before entering the political scene, Mr. Chan started up the China-Singapore Suzhou Industrial Park as the founding CEO in 1994, laying the foundation and framework for infrastructure and utilities development. Mr. Chan graduated from Keble College, University of Oxford, United Kingdom with a Bachelor of Arts (Second Class Honours) degree in Mathematics and holds a Master Degree in Management Science degree from Stanford University, United States of America. He was a director of MDR Limited, a company listed on the SGX-ST, from October 2006 to May 2009. He is currently a director of BreadTalk Group Limited (Stock Code: 5DA), Sunmoon Food Company Limited (Stock Code: F06) and Cogent Holdings Limited (Stock Code: KJ9), all of which are companies listed on the SGX-ST. Save as disclosed above, Mr. Chan did not hold any directorship with any other listed company in Hong Kong or elsewhere during the Track Record Period.

Xu Wei Dong

Dr. Xu, aged 51, was appointed as an independent non-executive Director on 17 March 2010. He is currently a professor and a PhD supervisor of the School of Law, Jilin University (PRC). Dr. Xu graduated from the School of Law (formerly known as the Law Department), Jilin University (PRC) with a Bachelor Degree in law in 1982. He obtained a Master Degree in law in 1989 and a Doctoral Degree in economics in 2002, both from Jilin University (PRC). Between June 2000 and December 2004, Dr. Xu served as the Deputy Dean of the School of Law, Jilin University. He was promoted to become the Dean of the School of Law, Jilin University in December 2004 and held such position until December 2008. Dr. Xu concurrently holds senior positions in various law related institutions and organisations. He is the deputy chairman of Commercial Law Research Department of the China Law Society, executive director and secretary general of the Legal Education Research Department of the China Law Society, deputy chairman of the Jilin Province Law Society, executive director of Jilin Province's Intellectual Property Right Research Commission, an arbitrator with China International Economic and Trade Arbitration Commission, and a lawyer with the Changchun Branch of Dacheng Law Office. Dr. Xu is also a member and secretary general of the Legal Teaching Guidance Committee of the PRC Education Department; a member of the National Legal Profession Examination Coordination Committee; a member of the Advisory Committee of the Jilin Municipal Government; and a member of the Legislation Advisory Committee of the Heilongjiang Municipal Government. Dr. Xu is currently an independent non-executive director of 西安海星現代科技股份有限公司, a company listed on the Shanghai Stock Exchange (Stock Code: 600185), and 吉林紫鑫藥業股份有限公司, a company listed on the Shenzhen Stock Exchange (Stock Code: 002118).

Save as disclosed above, there is no other information in respect of our Directors to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matter that needs to be brought to the attention of our Shareholders.

SENIOR MANAGEMENT

Tan Kai Teck

Mr. Tan, aged 41, is our Chief Financial Officer responsible for our financial management and the reporting functions of our Group. He has held various accounting positions with various companies, such as Freight Links Express Air Systems, HL Cement Company Pte Ltd and Conzinc Asia Regional Headquarters, and was the financial controller of Raffles LaSalle Limited (now known as Raffles Education Corporation Limited), before joining our Group in March 2003. Mr. Tan holds a Bachelor Degree in Accountancy (Second Upper Class Honours) from the Nanyang Technological University and is a Fellow Member of the Institute of Certified Public Accountants of Singapore (FCPA).

Yang Xiao Guang

Mr. Yang, aged 50, is our General Manager (Business Development) responsible for the execution and implementation of the development and business strategies of our Group. He is also involved in new business development and new venture management. He was the head of department of the Student Section in Jilin Finance & Trade College from 1983 to 1992 and the director of Changchun City Huida Credit Cooperative from 1995 to 1996, before joining China Waiyun Jilin Group Corporation as its vice manager. In 1997, he held the position of marketing manager of Raffles LaSalle Institute Pte Ltd (now known as Raffles Design Institute Pte Ltd), before joining our Group in June 2002. Mr. Yang holds a Bachelor Degree in Economics from Jilin Finance & Trade College (PRC) and a Master Degree in the Science of Law from Jilin University (PRC).

Wang Jia Xin

Mr. Wang, aged 54, is the General Manager of Jilin Midas. Mr. Wang is responsible for the overall business operations of our Aluminium Alloy Division. He started his career as a technician in the Research Institute of Siping Lianhe Harvest Machinery Factory in 1982. In 1984, he became the head of Technical Department in Liaoyuan City Aluminium Factory, and was promoted to factory manager in 1990. He continued working in Liaoyuan City Aluminium Factory until joining our Group in January 2002. Mr. Wang holds a Bachelor Degree in Mechanical Engineering from Jilin University (PRC).

Ma Ming Zhang

Mr. Ma, aged 57, is the General Manager of Wanshida. Mr. Ma is responsible for the overall business operations of our PE Pipes Division. In 1981, he joined the Duerbote Carpet Factory in Heilongjiang Province, P.R. China and became its vice factory director. In 1984, he moved to Daqing Highway Engineering Corporation and became its vice general manager. He joined the Guangdong Yinan Group as the general manager in 1996. Mr. Ma joined our Group in August 2001. Mr. Ma holds a Bachelor Degree in Industrial Automation Instrument from Harbin Industry University (PRC) and a Master Degree in Science and Engineering from Chengdu Science and Technology University (PRC).

BOARD COMMITTEE

Audit Committee

We have established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C3 of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. The audit committee consists of two independent non-executive Directors and one non-executive Director. The chairman of the audit committee is Mr. Chew Chin Hua, an independent non-executive Director. The primary duties of the audit committee are to assist the Board of Directors in providing an independent view of the effectiveness of the financial reporting process, the internal control and risk management system of our Group, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board of Directors of our Company.

Remuneration Committee

We have established a remuneration committee with written terms of reference in compliance with paragraph B1 of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. The remuneration committee consists of three members, two of whom are independent non-executive Directors, being Mr. Chan Soo Sen and Mr. Chew Chin Hua, and one non-executive Director being Mr. Tong Wei Min, Raymond. The remuneration committee is chaired by Chan Soo Sen. The primary duties of the remuneration committee include:

- making recommendations to our Directors on our policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration;

- determining the terms of the specific remuneration package of our Directors and senior management;

- reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time; and

- considering and approving the grant of share options to eligible participants pursuant to our ESOS conditionally adopted by our Company pursuant to a resolution passed by our Shareholders on 6 January 2004 upon authorisation by the Board of Directors of our Company.

Nomination Committee

We have also established a nomination committee with written terms of reference in compliance with paragraph A4 of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. The nomination committee consists of three members, being Mr. Chan Soo Sen, Mr. Chew Chin Hua and Mr. Tong Wei Min, Raymond. Two of the committee members are our independent non-executive Directors. The chairman of the nomination committee is Chan Soo Sen. The primary functions of the nomination committee are to formulate nomination policy for consideration of the Board, implement the nomination policy laid down by the Board, and make recommendations to our Board to fill vacancies on the same.

RETIREMENT SCHEMES

Our employees in the PRC participate in various pension schemes organised by the relevant municipal and provincial government under which we are required to make monthly contributions to these plans. The local government is responsible for the planning, management, and supervision of the scheme, including collecting and investing the contributions, and paying out the pensions to the retired employees.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our executive Directors receive, in their capacity as our employees, compensation in the form of salaries, bonus, other allowances and benefits in kind, including our contribution to the pensions scheme for our executive Directors, in their capacity as employees, according to the law of the relevant jurisdiction.

The aggregate amount of remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances and benefits in kind and discretionary bonuses) which were paid to our Directors for the three years ended 31 December 2007, 2008 and 2009 were approximately S$1,466,000, S$947,000 and S$1,036,000 respectively.

The aggregate amount of remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances and benefits in kind and discretionary bonuses) which were paid by our Group to the five highest paid individual employees of our Group for the three years ended 31 December 2007, 2008 and 2009 were approximately S$1,657,000, S$1,310,000 and S$1,591,000 respectively.

No remuneration was paid by our Group to our Directors or the five highest paid individual employees of our Group as an inducement to join or upon joining our Group or as a compensation for loss of office in respect of the three years ended 31 December 2007, 2008 and 2009.

It is estimated that the remuneration and benefits in kind, excluding any discretionary bonus payable to our Directors, equivalent to approximately S$1.2 million in the aggregate, will be paid and granted to our Directors by us in respect of the financial year ending 31 December 2010 under arrangements in force at the date of this prospectus.

JOINT COMPANY SECRETARY

Ms. Tan Cheng Siew @ Nur Farah Tan is the joint company secretary of our Company in Singapore. She is a practising chartered secretary and is an associate of the Institute of Chartered Secretaries and Administrators, U.K. Ms. Tan has over 19 years of experience in the professional secretarial services sector, and has assisted in providing corporate secretarial services to various companies in Singapore which are involved in, amongst others, the engineering, finance, information technology, trading and shipping industries.

Mr. Ngai Wai Fung is the joint company secretary of the Company in Hong Kong. Mr. Ngai is a director and head of listing services of KCS Hong Kong Limited, a corporate secretarial and accounting services provider in Hong Kong. Mr. Ngai is currently the vice president of the Hong Kong Institute of Chartered Secretaries and the chairman of its Membership Committee. Mr. Ngai is a fellow member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified

Accountants in the United Kingdom. Mr. Ngai holds a Master of Corporate Finance Degree from the Hong Kong Polytechnic University, Master of Business Administration Degree from Andrews University of the United States and a Bachelor of Laws (with Honours) Degree from the University of Wolverhampton, the United Kingdom.

STATUTORY AUDITORS

The Company plans to continue with the appointment of BDO LLP as its statutory auditors in Singapore for its annual accounts after the Company's secondary listing on the Stock Exchange. The Company confirms that the appointment of BDO LLP, for the purposes as set out above, complies with Rule 19.47 of the Listing Rules, which requires that the Company's future annual accounts must be audited by, among others, a firm who must be a practising accountant of good standing and that such firm must also be independent of the Company to the same extent as that required of an auditor under the Companies Ordinance and the statements on independence issued by the International Federation of Accountants.

COMPLIANCE ADVISER

We have appointed Platinum Securities Company Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us on the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and
- where the Stock Exchange makes an inquiry of us regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment will commence on the Listing Date and end on the date on which we distribute our annual report of our financial results for the first full financial year commencing after the Listing Date and such appointment may be extended by mutual agreement.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the Global Offering (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or any Shares that may be issued pursuant to the exercise of the Options), the following persons will have beneficial interests or short positions in our Shares which would, absent the grant of any waiver, fall to be disclosed to us under the provisions of Division 2 and 3 of Part XV of the SFO, or are directly and/or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of any member of our Group:

Name of Shareholder	Capacity/Type of interest	Number of Shares[(1)]	Approximate percentage of issued Shares immediately after the Global Offering (%)[(1)]
Chen Wei Ping	Beneficial owner	130,905,200	11.05%
Chew Hwa Kwang, Patrick .	Beneficial owner	120,711,800	10.19%
The Capital Group[(2)]	Beneficial owner	87,282,000	7.37%

(1) These figures assume that the Shareholders will not participate in the Global Offering or in the trading of any Shares between the Latest Practicable Date and the Listing Date. These figures are based on 1,184,367,800 issued Shares (excluding treasury Shares) after the Global Offering, assuming that the Over-allotment Option and all outstanding Options are not exercised.

(2) The shareholding percentage of The Capital Group is based on the information published on the SGX-ST as at the Latest Practicable Date.

Save as disclosed above, our Directors are not aware of any person who will, immediately following completion of the Global Offering (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or any Shares that may be issued pursuant to the exercise of the Options) (other than our Directors or chief executive officer), who will have beneficial interests or short positions in our Shares which would, absent the grant of any waiver, fall to be disclosed to us under the provisions of Division 2 and 3 of Part XV of the SFO, or are directly and/or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of any member of our Group.

CONTROLLING SHAREHOLDERS

Immediately upon completion of the Global Offering, none of our Shareholders is, individually or in aggregate entitled to exercise, or control the exercise of, 30% or more voting rights in general meetings of our Company. Mr. Chen Wei Ping, our executive Director and Chairman, is interested in 13.57% of the total number of issued Shares (excluding treasury Shares) in the capital of our Company as at the Latest Practicable Date and is therefore the single largest individual Shareholder[(3)].

COMPETITION WITH DIRECTORS

As confirmed by our Directors, none of our Directors has any interest in a business, other than our Group's business, which competes or is likely to compete, either directly or indirectly, with our Company's business.

(3) Based on the information published on the SGX-ST as at the Latest Practicable Date.

SHARE CAPITAL

All of the issued Shares of the Company comprise fully paid ordinary shares. Pursuant to the Companies (Amendment) Act 2005, companies incorporated in Singapore no longer have an authorised share capital and there is no concept of par value in respect of issued shares.

Details of Shares immediately after the Listing (assuming that the Over-Allotment Option and all outstanding Options are not exercised):

	Number of Shares
Issued and fully paid ordinary Shares (excluding 1,000,000 treasury Shares)	1,184,367,800

There has been no share split, share consolidation or bonus issue during the Track Record Period and up to the Latest Practicable Date. For details on the changes in our share capital, please refer to the paragraph headed "Changes in Share Capital" in the section "Further Information about our Group" in Appendix VI to this prospectus.

TREASURY SHARES

Under the Singapore Companies Act, Shares purchased or acquired by our Company may be held or dealt with as treasury Shares. Please refer to "Appendix V-A – Summary of the Constitution of our Company and the Salient Provisions of the Laws of Singapore" for a summary of some of the provisions on treasury Shares under the Singapore Companies Act.

ASSUMPTIONS

The above table takes no account of any Shares which may be allotted and issued by the Company pursuant to the general mandates for the allotment and issue of Shares granted to the Directors as described below.

ISSUING MANDATE

At the annual general meeting of the Company held on 30 April 2010, our Directors have been granted a general mandate to allot and issue such number of Shares and convertible securities amounting to not more than 50% of the total number of issued Shares, excluding treasury Shares, of which the aggregate number of Shares and convertible securities to be issued other than on a pro rata basis to Shareholders does not exceed 20% of the total number of issued Shares (excluding treasury shares).

The above mandate shall, unless revoked or varied by the Company at a general meeting, continue to be in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company required by law to be held, whichever is the earlier.

Upon the listing of our Company on the Stock Exchange, our Company will comply with Rule 13.36(2) of the Listing Rules in relation to the calculation of new Shares to be issued pursuant to the general mandate given to our Directors to allot and issue the new Shares.

For further details of this issuing mandate, see the paragraph headed "Resolutions of our Shareholders" in the section headed "Further information about our Group" in Appendix VI to this prospectus.

HISTORICAL SHARE PRICES

The following table sets forth for the periods indicated the reported high, low, period end, and average of the closing trading prices on the SGX-ST, as applicable, for the Shares from 1 January 2007 until the Latest Practicable Date. Historical Share prices may not be indicative of the price at which the Shares will trade following the completion of the Global Offering. Please refer to the section headed "Risk Factors – Risks Relating to the Secondary Listing of our Group – The stock markets of Singapore and Hong Kong have different characteristics and the historical prices of the Singapore Shares may not be indicative of the performance of the Hong Kong Shares after the listing of our Shares on the Stock Exchange" in this prospectus.

Calendar period	High close	Low close	Average close	Period end
	(S$)	*(S$)*	*(S$)*	*(S$)*
Annual				
2007	2.31	1.13	1.64	1.52
2008	1.52	0.28	0.83	0.49
2009	0.94	0.35	0.70	0.92
2010 (up to Latest Practicable Date)	1.16	0.84	0.98	1.00
Quarterly				
First Quarter 2007	1.68	1.21	1.45	1.68
Second Quarter 2007	2.31	1.67	2.00	2.08
Third Quarter 2007	2.14	1.13	1.52	1.73
Fourth Quarter 2007	1.92	1.40	1.58	1.52
First Quarter 2008	1.52	0.85	1.25	1.00
Second Quarter 2008	1.19	0.84	1.01	0.89
Third Quarter 2008	0.90	0.38	0.64	0.42
Fourth Quarter 2008	0.57	0.28	0.43	0.49
First Quarter 2009	0.55	0.35	0.47	0.42
Second Quarter 2009	0.82	0.43	0.61	0.79
Third Quarter 2009	0.91	0.77	0.84	0.86
Fourth Quarter 2009	0.94	0.79	0.86	0.92
First Quarter 2010	1.09	0.93	1.02	1.03
Second Quarter 2010	1.16	0.84	0.99	0.92
Monthly				
January 2007	1.49	1.34	1.44	1.45
February 2007	1.58	1.36	1.49	1.36
March 2007	1.68	1.21	1.42	1.68
April 2007	2.00	1.67	1.78	2.00
May 2007	2.20	1.94	2.06	2.13
June 2007	2.31	2.02	2.16	2.08
July 2007	2.14	1.27	1.80	1.27
August 2007	1.44	1.13	1.30	1.42
September 2007	1.73	1.36	1.44	1.73
October 2007	1.92	1.45	1.68	1.71

Calendar period	High close	Low close	Average close	Period end
	(S$)	*(S$)*	*(S$)*	*(S$)*
November 2007	1.68	1.40	1.51	1.44
December 2007	1.63	1.45	1.53	1.52
January 2008	1.52	1.26	1.42	1.30
February 2008	1.44	1.15	1.35	1.15
March 2008	1.15	0.85	0.96	1.00
April 2008	1.19	1.00	1.09	1.06
May 2008	1.13	0.96	1.04	0.97
June 2008	0.94	0.84	0.90	0.89
July 2008	0.90	0.71	0.83	0.73
August 2008	0.74	0.50	0.63	0.53
September 2008	0.52	0.38	0.43	0.42
October 2008	0.43	0.28	0.35	0.32
November 2008	0.49	0.35	0.42	0.48
December 2008	0.57	0.48	0.51	0.49
January 2009	0.55	0.49	0.52	0.53
February 2009	0.53	0.42	0.50	0.42
March 2009	0.44	0.35	0.41	0.42
April 2009	0.55	0.43	0.49	0.45
May 2009	0.68	0.49	0.62	0.67
June 2009	0.82	0.64	0.72	0.79
July 2009	0.87	0.77	0.81	0.87
August 2009	0.89	0.83	0.85	0.85
September 2009	0.91	0.82	0.85	0.86
October 2009	0.88	0.81	0.85	0.83
November 2009	0.89	0.79	0.85	0.86
December 2009	0.94	0.85	0.89	0.92
January 2010	1.08	0.94	1.02	1.00
February 2010	1.01	0.93	0.98	1.00
March 2010	1.09	1.01	1.05	1.03
April 2010	1.16	1.03	1.09	1.05
May 2010	1.03	0.84	0.96	0.94
June 2010	1.00	0.89	0.93	0.92
July 2010	0.96	0.90	0.93	0.95
August 2010	0.96	0.86	0.90	0.87

Source: Factset

DEALINGS IN THE SHARES PRIOR TO LISTING

According to Rule 9.09(b) of the Listing Rules, there must be no dealing in the securities of a new applicant for which listing is sought by any connected person of the issuer from the date which is four clear days before the listing hearing date until listing is granted. In the context of a secondary listing of a widely held, publicly traded company, our Company has no control over the investment decisions of its shareholders. Our Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 9.09(b) of the Listing Rules which restricts such dealings in the Shares prior to Listing. Please refer to the section headed "Waivers – Dealings in the Shares Prior to Listing" in this prospectus for details of the waiver.

The following discussion of our financial condition and results of operations should be read in conjunction with our audited consolidated financial information as at and for each of the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010 and, in each case, the related notes set out in the accountants' report included as Appendix I to this prospectus (the "Consolidated Financial Information"). Our Consolidated Financial Information has been prepared in accordance with IFRS which may differ in material aspects from generally accepted accounting principles in other jurisdictions. Our consolidated statement of comprehensive income and the consolidated statement of cash flow for each of the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010 present the results of operations and cash flows. Our consolidated statement of financial position as of 31 December 2007, 2008 and 2009 and 31 March 2010 present our assets and liabilities as of those dates. The selected financial information of our Group as of 30 June 2010 and for the three months ended 30 June 2009 and 2010, extracted from the Unaudited Interim Condensed Financial Information as set out in Appendix IA to this prospectus, were prepared in accordance with IFRS. For purposes of this section of the prospectus the term associate shall have the meaning given to such term in accordance with IFRS and not the Listing Rules.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results and timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this prospectus.

OVERVIEW

We are a public limited company incorporated on 17 November 2000 and domiciled in Singapore (Registration Number: 200009758W). We were listed on the SGX-ST SESDAQ on 23 February 2004 and were transferred to the Main Board of the SGX-ST on 7 September 2006. We are an investment holding company. The principal activities of our Group are the manufacturing and sale of aluminium alloy extrusion products, the manufacturing and sale of polyethylene pipes and trading of aluminium alloy, polyethylene pipes and related products. We are the leading manufacturer of aluminium alloy extrusion products for the passenger rail transportation sector in the PRC. In 2009, we commanded a 66% share of the PRC market for aluminium alloy extrusion products used in the production of high speed trains and metro train car bodies based on sales revenue, according to CBI China. We are engaged in a specialised industry with engineering expertise, often on a project-by-project basis. The PRC market for aluminium alloy extrusion products used in the production of high speed trains and metro train car bodies forms part of the PRC market for aluminium alloy extrusion products. We are also one of the first and amongst the few companies in the aluminium alloy extrusion industry in the PRC to possess downstream fabrication capabilities to process train car body components. We have an established track record of supplying aluminium alloy extrusion products to train manufacturers in the rapidly growing passenger rail transportation sector in the PRC since 2003. We also export aluminium alloy extrusion products internationally and have been involved in a considerable number of train projects in Europe and Asia. Our customer base consists of all of the five domestic Licensed Train Manufacturers and the top three global train manufacturers, namely, Alstom, Siemens and Bombardier. The aggregate revenue contribution from international sales made to the top three global train manufacturers (Alstom, Siemens and Bombardier) accounted for 4.5%, 3.6%, 4.5% and 2.3%, respectively, of our total revenue from continuing operations for the three years ended 31

December 2007, 2008 and 2009, and the three months ended 31 March 2010, respectively. As far as we are aware, two of the three global train manufacturers, namely Bombardier and Alstom, have a presence in the PRC through joint ventures with PRC companies.

In the Track Record Period, we derived our revenues from our continuing operations, which consist of our Aluminium Alloy Division and our PE Pipes Division as well as from our discontinued operations, Agency and Procurement Division. We generate our revenues primarily from our Aluminium Alloy Division with the sale of aluminium alloy extrusion products in the PRC. The Aluminium Alloy Division is our principal business division and accounted for 88.8%, 91.7%, 95.4% and 96.7% of our total revenue from continuing operations for each of the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively. The business operations of our Aluminium Alloy Division are focused on the manufacture of car body frames of high speed trains and metro trains for the passenger rail transportation sector in the PRC, which contributed, in aggregate, 52.1%, 64.3%, 64.8% and 69.6% of the total revenue of our Aluminium Alloy Division for each of the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively.

As at 30 June 2010, there are a total of eight market players supplying large-section aluminium extrusion products in the PRC passenger rail transport industry. No particular certification is required under PRC laws and regulation for the supply of aluminium extrusion products to the PRC passenger rail transport industry. Notwithstanding this, as mentioned above, we have been awarded the IRIS certification and are also certified to supply to Alstom, Siemens and Changchun Bombardier, which is testament to our superior quality standards and quality management systems. According to CBI China, the total market size of and our market share in, the PRC market for aluminium alloy extrusion products used in the PRC passenger rail transportation industry was RMB353.3 million, RMB453.7 million and RMB575.5 million, and 75%, 83% and 66%, respectively, for each of the three years ended 2007, 2008 and 2009. During the same period, our market shares in the PRC overall aluminium semis industry and aluminium extrusion product sector are insignificant (less than 1% based on estimates by CBI China), since our business focus is, and will continue to be, on the PRC passenger rail transport industry.

In addition, we design, manufacture and install PE Pipes, which we consider to be a non-core business. We currently have no plans for further expansion of this business division. Previously, we also engaged in the trading of aluminium alloy plates and other metal products, but we ceased such trading activities in early 2009.

We have a strategic investment in NPRT, an associate company engaged in the development, manufacturing and sale of metro trains, bogies and their related parts, in which we hold a 32.5% stake as the second largest shareholder. We are currently represented by two directors, out of a total of seven directors, on the board of NPRT. NPRT is one of the four Licensed Metro Manufacturers which produce metro trains in the PRC. We believe that our investment in NPRT enables us to directly tap into the fast growing metro train manufacturing market in the PRC, and is of strategic importance in facilitating our development into an integrated railway equipment components supplier. Our investment in NPRT contributed S$1.3 million, S$1.9 million, S$3.3 million and S$1.7 million to our profit before tax from continuing operations for each of the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively.

For each of the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, our revenue from continuing operations was approximately S$119.9 million, S$138.1 million, S$150.0 million and S$46.1 million, respectively. Our overall profit for the same periods (including both continuing and discontinued operations) was approximately S$31.9 million, S$32.7 million, S$37.5 million and S$9.9 million, respectively.

There has been no share split, share consolidation or bonus issue during the Track Record Period and up to the Latest Practicable Date. For details on the changes in our share capital, please refer to the paragraph headed "Changes in Share Capital" in the section "Further Information about our Group" in Appendix VI to this prospectus.

BASIS OF PRESENTATION

Our financial information is presented in Singapore dollar ("S$") which is also the functional currency of our Company. Our consolidated statement of comprehensive income and the consolidated statement of cash flow for the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010 present the results of operations and cash flows. Our consolidated statement of financial position for the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010 present our assets and liabilities as of those dates.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

During the Track Record Period, our results of operations and financial condition have been, and will continue to be, most significantly affected by the following factors:

Level of demand for aluminium alloy extrusion products for the passenger rail transportation sector in the PRC and internationally

We derive a significant portion of our revenue from sales of aluminium alloy extrusion products for the passenger rail transportation sector in the PRC.

Rapid urbanisation and economic development across the PRC has led to the need for both new and upgraded railway and metro lines. As part of the PRC government's high speed railway development plan, the PRC government has set aside a substantial amount of funding for the development of railway projects across the country. In addition, many PRC cities have plans to build mass rapid transit systems to ease their traffic congestion. According to CBI China, the PRC government plans to invest more than RMB2 trillion between 2011 and 2015 in expanding the national railway network including the addition of 24,000 km of rail lines to the current network by the end of 2010. This will effectively increase the network of rail lines from 86,000 km as of the end of 2009 to 110,000 km of rail lines by 2012. The PRC government also plans to invest RMB882 billion in expanding the national metro network by building an additional 2,100 km of metro lines, which will effectively increase the network of metro lines from approximately 900 km as of the end of 2009 to 3,000 km by 2015, and the network will cover 40 PRC cities. As a result of these initiatives, we believe the PRC rail transport industry will experience rapid growth in the near future, which we expect will translate into increased demand for our aluminium alloy extrusion products for the production of high speed trains and metro trains.

We also export aluminium alloy extrusion products to the passenger rail transportation sector internationally. Although this does not currently constitute a significant portion of our revenue, such proportion may increase in the future as the result of our continued expansion into international markets, pursuit of new projects and targeting of new customers in the international rail transport industry.

Given the fast growth of the PRC rail transport industry and the corresponding demand for our aluminium alloy extrusion products for the production of high speed trains and aluminium metro trains, the portion of our revenue from the rail transport industry has continuously increased during the Track Record Period. However, if there is any reduction or change in the level of the PRC's government spending on transportation infrastructure or in the demand of our customers for aluminium alloy extrusion products, our business, results of operation and financial condition may be adversely affected. Please also refer to "Risk Factors – Risks Relating to Our Industry – Any reduction or change in the level of the PRC's government's spending on transportation infrastructure may materially and adversely affect our business."

PRC Economic Conditions and Governmental Policies

Substantially all of our assets are currently located in the PRC and a substantial portion of our sales are generated from the PRC. We anticipate that sales of our products in the PRC will continue to represent a substantial proportion of our total sales in the near future. As a result, our results of operations and prospects are and will continue to be affected by the PRC's general economic and business conditions, and the economic policies and other policies, laws and regulations promulgated or undertaken by the PRC government such as the extent of government involvement and allocation of resources on transportation infrastructure, the PRC regulatory environment, tax rates, interest rates and foreign currency exchange rates.

The PRC government has in the past implemented various macroeconomic policies to manage the growth of the PRC economy. Recently the PRC government announced large fiscal stimulus packages to boost the domestic economy. This included RMB4 trillion worth of investments in, among other things, highways, railways, power grids and other public transportation infrastructure developments. These stimulus packages accelerated the speed of the PRC's high speed railway development plan, which led to an increased demand for our aluminium alloy extrusion products for the production of high speed trains and metro trains. Similarly, previous changes to PRC tax laws, such as the PRC EIT Law, have affected and are expected to continue to affect our effective tax rate and, consequently, our net income. For example, changes in the tax rates in the PRC significantly impacted our effective tax rate and our net profits from continuing operations in 2008. See "Review of Historical Operating Results – Year Ended 31 December 2007 Compared to Year Ended 31 December 2008" below. The PRC government is expected to continue using macroeconomic policies and other policies, including monetary and fiscal policies to manage the growth of the PRC economy. We expect our financial condition and results of operations to continue to be significantly affected by these policies. Please also refer to the section entitled "Risk Factors – Risks Relating to Doing Business in the PRC."

Production Capacity

The level of sales we can achieve is dependent on our production capacity and how we deploy such capacity. As at 31 December 2009, we operated two aluminium alloy extrusion production lines with a total annual production capacity(1) of 20,000 tonnes and a downstream fabrication line with a total annual production capacity(2) of car body components for approximately 300 train cars.

Our overall production capacity for our aluminium alloy extrusion production lines is dependent on the following factors:

- Type of aluminium alloy extrusion product being produced and product mix;
- Specification of the products being produced;
- Alloy designation of the aluminium alloy billet used in production (different series of aluminium alloy billets used will vary production output because of different alloy properties);
- The skill and experience of our production workers and our technical processing ability;
- Obsolescence of our machinery; and
- Auxiliary processes such as heating and cooling.

Our overall production capacity for our downstream fabrication lines is dependent on the following assumptions and factors:

- Specification of the products requiring fabrication process (size and shape);
- Specification of machines being used (type and number); and
- Our production efficiency, including the level of sophistication and expertise of our relevant employees.

Based on the above factors, our current annual production capacity for our two existing aluminium alloy extrusion production lines is 20,000 tonnes and our downstream fabrication line has a total annual production capacity of car body components for approximately 300 train cars. Please also refer to the section headed "Business – Our Business Divisions – Aluminium Alloy Division – Production Facilities."

(1) Our aluminium alloy extrusion production capacity stated is based on the optimal level of production of each production line (as recommended by the respective manufacturers) when used to produce large aluminium alloy extrusion profiles for train car bodies. For more details on our extrusion production capacity, see the section headed "Business – Our Business Divisions – Aluminium Alloy Division – Production Facilities – Extrusion Production Line" in the prospectus.

(2) Our downstream fabrication line production capacity as stated is the current annual production capacity which is dependent on certain assumptions and factors, such as the specifications of machines being used in the production process. For more details on our production capacity, see the section headed "Business – Our Business Divisions – Aluminium Alloy Division – Production Facilities – Fabrication Production Line" in the prospectus.

We expect to increase our annual aluminium alloy extrusion production capacity[1] from 20,000 tonnes as at end of 2009 to 50,000 tonnes by the end of 2010 with the addition of three new production lines. In particular, one of our three recently acquired extrusion production lines has commenced operations in April 2010 and another one is currently being installed. We also expect to increase our downstream fabrication production capacity[2] with the installation of two new downstream fabrication lines, one of which has commenced operation in April 2010 and the other is expected to be operational by the second half of 2010. It is expected that our new downstream fabrication lines will increase our annual production capacity of car body components for train cars from approximately 300 to approximately 1,000 train cars by the end of 2010. As at 31 March 2010, our capital commitment for the additional three extrusion production lines and two downstream fabrication lines was approximately S$50 million, which will be funded by a combination of the proceeds of the share placement of 120,000,000 Shares that the Company completed in July 2009, internal cash resources, existing bank facilities and, where necessary, additional bank borrowings. We anticipate that the increase in our production capacity and the expansion of our downstream fabrication capabilities will strengthen our market position, enhance our competitiveness and provide us with additional revenue streams from existing customers. We cannot, however, provide any assurance that there will be adequate demand for our added production capacity or for our train car body fabrication services, or that we will be able to manage our expansion and growth. If there is inadequate demand or if we encounter difficulties in achieving increased production volumes relative to our existing capacity, it could have a material adverse effect on our business and results of operations. Please also refer to "Risk Factors – Risks Relating to Our Business – If we cannot manage our expansion and growth, or if the demand for our added production capacity or our train car body fabrication services does not grow as we expect or grows at a slower rate than we expect or decreases, or if we are not successful in enhancing our presence in international markets, our financial condition, results of operations and prospects may be adversely affected."

Cost of Raw Materials and Processing Fees

Our raw materials consist primarily of aluminium alloy billets (for our Aluminium Alloy Division) and plastic resins (for our PE Pipes Division). Competition, supply and demand and the cost of raw materials has the potential to significantly affect the pricing of our products, our revenue, cost of sales, gross profit and gross margin. The prices for our aluminium alloy extrusion products comprise two components, namely our processing fees and the price of raw materials. Our processing fees are dependent on the complexity of product design, level of precision of the product, size of the contract, trading history and our relationship with the customer, as well as the overall market conditions. The cost of our raw materials is determined by supply and demand in the international and domestic commodity markets. It fluctuates with market conditions and may be highly volatile. For an overview of the aluminium price fluctuation, please refer to the section headed "Industry Overview – Aluminium Alloy Extrusion Market in the PRC Passenger Rail Transport Industry – Price of Aluminium Raw Material" in the prospectus for more detailed information. Our raw material procurement strategy is to avoid taking on any direct raw material cost risk and reduce the impact of raw material price fluctuations on our results of operations.

(1) Our aluminium alloy extrusion production capacity stated is based on the optimal level of production of each production line (as recommended by the respective manufacturers) when used to produce large aluminium alloy extrusion profiles for train car bodies. For more details on our extrusion production capacity, see the section headed "Business – Our Business Divisions – Aluminium Alloy Division – Production Facilities – Extrusion Production Line" in the prospectus.

(2) Our downstream fabrication line production capacity as stated is the current annual production capacity which is dependent on certain assumptions and factors, such as the specifications of machines being used in the production process. For more details on our production capacity, see the section headed "Business – Our Business Divisions – Aluminium Alloy Division – Production Facilities – Fabrication Production Line" in the prospectus.

We have two types of contracts: fixed-price and "cost-plus".

- **Fixed-price contracts**: For fixed-price contracts, we fix the price of the aluminium alloy extrusion products with our customers, which effectively fixes our revenue. Although our cost of sales and our gross profit are exposed to an increase in raw material costs, we seek to manage this risk exposure by locking in the prices of raw materials with our raw material suppliers for the entire volume and duration of each contract thereby substantially locking in the gross margin for that contract.

- **"Cost-plus" contracts**: For "cost-plus" contracts, any changes in raw material costs are directly passed onto our customers and we do not assume any raw material price risk. An increase in raw material costs will increase both our revenue and increase our cost of sales. Our gross profit would remain the same; however, our gross margin would decrease because the same amount of gross profit is being divided by a higher amount of revenue. Therefore, an increase in raw material costs will reduce our gross margin even though our profitability remains the same.

Over the Track Record Period, our processing fees have been relatively stable, while the cost of raw materials has been volatile. Our gross profit for our Aluminium Alloy Division has not been significantly impacted by the volatility of raw material prices. This is largely due to the nature of the fixed-price and "cost-plus" contracts we enter into with our customers, which enable us to maintain relatively stable gross profit. We adopt this raw material procurement strategy to both project based and non-project based customers of all the industries that we supply to in our Aluminium Alloy Division, including the rail transport, power, engineering and construction industries. The Company does not have an internal policy regulating the type of contract it should enter into with its customers as both types of contracts will allow the Company to avoid undertaking any raw material price risk, the risk being undertaken by the raw material suppliers and/or the customers themselves. However, in the event of a significant increase in raw material costs, there can be no assurance that our customers will not attempt to renegotiate any terms in their "cost-plus" contracts in order to bear less of the increase in raw material prices. In the event of a significant decrease in raw material costs, there can be no assurance that our customers will not attempt to renegotiate any terms in their fixed-price contracts to benefit from any substantial decrease in raw material prices. Any significant increase in the prices of these raw materials which cannot be passed on to our customers by way of a price increase will adversely affect our financial performance and hence our profitability. Furthermore, there is a risk that we may fail to secure fixed-price supplies of our raw materials with our suppliers in fulfilling the needs for the fixed-price customer contracts. Please also refer to "Risk Factors – Risks Relating to Our Business – Our Aluminium Alloy Division requires a continuous and adequate supply of raw materials, which are subject to our suppliers' due performance of their contracts as well as price volatility." and "We generate a significant portion of our revenue from a few key customers, some of which are ultimately owned by the same parent company, such as CNR or CSR, and the loss of one or more of these customers, any significant reduction of purchases by these customers or any default in payment by these customers may materially adversely affect our business, financial condition and results of operations." The Company has not experienced any material operational and financial impact as a result of the renegotiation of the terms of fixed-priced and "cost-plus" contracts during the Track Record Period. Historically, whether our customers chose to enter into fixed-priced or "cost-plus" contracts with us depended on the prevailing trading price of aluminium at the time of each order and/or our customers' perception of future movements in aluminium alloy raw material price.[1]

Competition and Market Share

The PRC aluminium alloy extrusion industry is large and fragmented. For more information, please see the section entitled "Industry Overview – Overview of the PRC Aluminium Alloy Extrusion Industry" in this prospectus. In the PRC, there are few aluminium alloy extrusion suppliers to the rail transport industry with the downstream fabrication capabilities possessed by our Group. The PRC market for aluminium alloy extrusion products used in the production of high speed trains and metro train car bodies forms part of the PRC market for aluminium alloy extrusion products, which, according to CBI China, constitutes approximately 0.24% of the wider PRC market for aluminium alloy extrusion products. As at 30 June 2010, there are a total of eight market players supplying large-section aluminium extrusion products in the PRC passenger rail transport industry. Our major competitors which supply aluminium alloy extrusion products to the PRC passenger rail transport industry are Longkou Conglin Aluminium Co., Ltd. and Shandong Nanshan Aluminium Co., Ltd., which are PRC enterprises. We believe that our competitive advantages over our competitors include our customer recognition and stable customer base.

We rely on a few key customers to purchase our aluminium alloy extrusion products for the passenger rail transportation sector. The PRC high speed and metro train manufacturing industry is highly concentrated with only five Licensed Train Manufacturers which hold licenses to manufacture high speed and metro trains. Our customers comprise all of the domestic Licensed Train Manufacturers and the top three global train manufacturers, namely, Alstom, Siemens and Bombardier. We have developed close, long-term relationships with all of our key customers. We have been supplying to all of the domestic Licensed Train Manufacturers in the PRC, including CNR Changchun, CNR Tangshan and CSR Zhuzhou since 2003, and NPRT since 2007. In addition, in January 2010, we entered into a RMB353.0 million high speed train contract with Bombardier Sifang (Qingdao) Transportation Ltd for the supply of 1,120 train cars. We have also been supplying to the top global train manufacturers, such as Alstom and Siemens for over six years, and Bombardier for over two years. The aggregate revenue contribution from international sales made to the top three global train manufacturers (Alstom, Siemens and Bombardier) accounted for 4.5%, 3.6%, 4.5% and 2.3%, respectively, of our total revenue from continuing operations for the three years ended 31 December 2007, 2008 and 2009, and the three months ended 31 March 2010 respectively. As far as we are aware, two of the three global train manufacturers, namely Bombardier and Alstom, have a presence in the PRC through joint ventures with PRC companies. Over the course of our operating history, we have established strong working relationships and in some cases, achieved preferred supplier status, with our key customers, all of whom are repeat customers.

[1] There is no historical observed pattern partly due to the fact that fixed-price and "cost-plus" contracts signed in a year are typically deliverable over the course of two to three years.

According to CBI China, as of 30 June 2010, we are one of only two aluminium alloy extrusion products suppliers in the PRC in our business category to be awarded the IRIS certification, an internationally recognised certification for the evaluation of management systems in the rail transport industry. We are also certified to supply to two of the top global train manufacturers, Alstom and Siemens, as well as to Changchun Bombardier. We have also undertaken several initiatives to build, maintain and develop our customer relationships, such as conducting regular site visits and maintaining frequent communication with our customers to obtain product feedback so as to ensure that we can meet our customers' servicing requirements. For the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, our five largest customers in aggregate accounted for approximately 51.8%, 63.9%, 58.5% and 71.1% of our revenues from continuing operations, respectively. Sales to our single largest customer for the same financial periods accounted for approximately 14.9%, 27.7%, 15.8% and 27.9% of our revenues from continuing operations, respectively.

We believe our leading market position, track record, and close relationships with our customers and our certifications give us a distinctive competitive advantage over other aluminium alloy suppliers to the PRC passenger rail transport industry. Since 2003, we have supplied aluminium alloy extrusion products to approximately 30 metro and high speed train projects in the PRC. Our ability to continue to secure such projects, remain competitive and maintain our market share depends on our ability to maintain the strong relationships we have developed with our customers and our ability to distinguish our products and services from those of our competitors in terms of product quality, timely delivery and customer service. If we cannot effectively compete against our competitors or if we lose one or more of our key customers we may be unable to maintain our market share. This may, in turn, adversely affect our financial condition and results of operations. Please also refer to "Risk Factors – Risks Relating to Our Business – We generate a significant portion of our revenue from a few customers, some of which are ultimately owned by the same parent company, such as CNR or CSR, and the loss of one or more of these customers, any significant reduction of purchases by these customers or any default in payment by these customers may materially adversely affect our business, financial condition and results of operations." and "We operate in a competitive industry and may not be able to maintain our market share, which may adversely affect our business, profit margins, financial condition and results of operations."

CRITICAL ACCOUNTING POLICIES

We have identified below the accounting policies that we believe are the most critical to our Consolidated Financial Information. These accounting policies require subjective or complex judgements by our management, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Certain accounting estimates are particularly sensitive because of their significance to our Consolidated Financial information. The estimates and associated assumptions are based on our historical experience and various other factors that we believe are reasonable under the circumstances, the results of which form the basis of making judgements about matters that are not readily apparent from other sources. The key assumptions concerning the future, and other key sources of estimation uncertainty are discussed in more detail in note 2 to the accountants' report in Appendix I. We review our estimates and underlying assumptions on an ongoing basis.

Income Taxes

We have exposure to income taxes in the PRC and Singapore. Due to its inherently uncertain nature, judgement is involved in determining our provisions for income taxes. In determining our income tax liabilities, we are required to estimate the amount of capital allowances and deductibility of certain expenses.

We recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made.

Property, Plant and Equipment

Property, plant and equipment are initially recorded at cost. Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged so as to write off the cost of property, plant and equipment over their estimated useful lives, using the straight-line method. We estimate the useful lives of these assets to be within 5 to 30 years. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

No depreciation is charged on the construction-in-progress until the property, plant and equipment is ready for use.

Impairment of Financial Assets

The impairment assessment of financial assets, which are classified into "loans and receivables", requires significant judgement. We evaluate, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost and the financial health of and near-term business outlook for the financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

An allowance for bad and doubtful debt is established when there is evidence that we will not be able to collect all amounts due according to the original terms of the receivables, based on the financial condition and credit history of our customers and other debtors and the current market condition. We reassess the amount of provisions at each statement of financial position date. When a receivable is proved to be uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the consolidated statement of comprehensive income.

Impairment of Non-financial Assets

We assess whether there are any indicators of impairment for certain of the Group's non-financial assets which include property, plant and equipment, land use rights and interest in an associate at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, we must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Judgement of our management is required in assessing impairment, particularly in determining: (i) whether an event has occurred that may indicate that asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections, including the rate at which such cash flows are discounted. Changing the assumptions selected by our management in assessing impairment could materially affect the net present value in the impairment test and as a result affect our financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to record an impairment charge.

Equity-settled Share-based Payments

We have a share option scheme known as the ESOS for all company employees. Under the scheme, an option entitles the option holder to subscribe for a specific number of new ordinary shares in our company comprised in the option at a subscription price per share determined with reference to the market price of the share at the time of grant of the option. The option valuation model used requires highly subjective assumptions to be made including the future volatility of our share price, expected dividend yields, risk-free interest rates and expected staff turnover. We draw upon a variety of external sources to aid in the determination of the appropriate data to use in such calculations. These subjective assumptions impact the total carrying amounts of share-based expense in our consolidated statement of comprehensive income, which is fixed for the duration of the fiscal year.

RESULTS OF OPERATIONS

The following table shows selected consolidated income statement items for each of the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2009 and 2010, which were derived from our Consolidated Financial Information included in Appendix I to this prospectus:

	For the year ended 31 December			For the three months ended 31 March	
	2007	2008	2009	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000 (unaudited)*	*S$'000*
Continuing operations					
Turnover	119,875	138,139	149,993	31,221	46,053
Cost of sales	(75,640)	(90,961)	(93,398)	(18,021)	(31,027)
Gross profit	44,235	47,178	56,595	13,200	15,026
Other operating income	2,069	3,334	1,898	120	181
Selling and distribution expenses	(2,962)	(3,786)	(4,709)	(712)	(1,232)
Administrative expenses	(7,608)	(8,216)	(9,808)	(1,998)	(3,346)
Finance costs	(1,937)	(2,590)	(809)	(606)	(205)
Share of result of an associate	1,256	1,915	3,314	(83)	1,661
Profit before income tax expense	35,053	37,835	46,481	9,921	12,085
Income tax expense	(3,331)	(7,223)	(9,222)	(1,894)	(2,147)
Profit for the year/period from continuing operations	31,722	30,612	37,259	8,027	9,938
Discontinued operations					
Profit for the year/period from discontinued operations	192	2,065	282	495	–
Profit for the year/period	31,914	32,677	37,541	8,522	9,938
Basic earnings per share (S cents)	3.78	3.87	4.18	1.01	1.03
From continuing operations	3.76	3.62	4.15	0.95	1.03
From discontinued operations	0.02	0.25	0.03	0.06	–
Diluted earnings per share (S cents)	3.73	3.86	4.18	1.01	1.03
From continuing operations	3.71	3.62	4.15	0.95	1.03
From discontinued operations	0.02	0.24	0.03	0.06	–

PRINCIPAL INCOME STATEMENT ITEMS

Revenue

In the Track Record Period, we derived our revenues from our continuing operations, which consist of our Aluminium Alloy Division and PE Pipes Division as well as from our discontinued operations, Agency and Procurement Division.

The following table shows our revenue from continuing operations by division and from discontinued operations for each of the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2009 and 2010:

Business segments	For the year ended 31 December						For the three months ended 31 March			
	2007		2008		2009		2009		2010	
	S$'000	*% of revenue*	*S$'000*	*% of revenue*	*S$'000*	*% of revenue*	*S$'000* *(unaudited)*	*% of revenue*	*S$'000*	*% of revenue*
Continuing operations										
Aluminium Alloy Division . .	106,406	88.8%	126,702	91.7%	143,030	95.4%	29,730	95.2%	44,515	96.7%
PE Pipe Division	13,469	11.2%	11,437	8.3%	6,963	4.6%	1,491	4.8%	1,538	3.3%
Total	119,875	100.0%	138,139	100.0%	149,993	100.0%	31,221	100.0%	46,053	100.0%

	For the year ended 31 December			For the three months ended 31 March	
	2007	2008	2009	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000* *(unaudited)*	*S$'000*
Discontinued operations					
Agency & Procurement	19,033	6,336	954	991	–
Total of continuing and discontinued operations . .	138,908	144,475	150,947	32,212	46,053

Our revenue from continuing operations increased by 15.2% from S$119.9 million in 2007 to S$138.1 million in 2008, by 8.6% from S$138.1 million in 2008 to S$150.0 million in 2009 and by 47.5% from S$31.2 million for the three months ended 31 March 2009 to S$46.1 million for the three months ended 31 March 2010, respectively. Our total revenues from continuing operations increased during the Track Record Period mainly due to an increase in revenue generated from our Aluminium Alloy Division mainly driven by the increase in demand for our aluminium alloy extrusion products in the PRC rail transport industry. Our second aluminium alloy extrusion production line came into operation in July 2006 and, as a result of it being a newly established production line, did not start operating at a relatively high utilisation rate until 2008. The decrease in our percentage increase in our turnover from 15.2% to 8.6% during the Track Record Period was mainly due to production capacity constraints experienced in our Aluminium Alloy Division in 2009, as we were limited by the two aluminium alloy extrusion production lines we had in operation in 2008 and 2009. To meet the anticipated rapid growth in demand, we are in the process of significantly expanding our production capacity through investment in new production lines. We do not expect to experience such production capacity constraints in the future with the addition of these three new production lines, which will increase our annual aluminium alloy extrusion production capacity from 20,000 tonnes to 50,000 tonnes by the end of 2010.

Aluminium Alloy Division

We derive revenue primarily from our Aluminium Alloy Division with sales of our aluminium alloy extrusion products. The sale of our aluminium alloy extrusion products are classified into the following three categories based on the industry to which the end-use application pertains:

- *Rail Transport Industry* – We produce aluminium alloy profiles which are used to manufacture train car body frames for use by high speed trains and metro trains;
- *Power Industry* – We produce aluminium alloy tubings which are used in power stations for power transmission purposes, electrical energy distribution and transmission cables; and
- *Others* – We produce aluminium alloy rods and other specialised profiles which are primarily used in the production of mechanical parts for industrial machinery.

The following table shows the revenue segmentation in percentage terms by end usage at our Aluminium Alloy Division for each of the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2009 and 2010:

Aluminium Alloy Division	**For the year ended 31 December**			**For the three months ended 31 March**	
	2007	**2008**	**2009**	**2009**	**2010**
	%	*%*	*%*	*%*	*%*
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*
Rail Transport Industry	52.1%	64.3%	64.8%	71.8%	69.6%
Power Industry	22.2%	23.4%	17.9%	14.6%	9.7%
Others	25.7%	12.3%	17.3%	13.6%	20.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

The rail transport industry was our major revenue contributor for each of the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2009 and 2010 and we expect contributions from this industry to continue to increase.

Given the boom in the PRC's rail infrastructure industry, during the Track Record Period we increasingly concentrated on our Aluminium Alloy Division, which is our core revenue generating division.

PE Pipes Division

During the Track Record Period we also derived revenue from our PE Pipes Division, which manufactures PE pipes for use in various types of piping networks including gas piping networks and water distribution networks. We also install and commission PE pipes used in water distribution networks. We do not undertake any installation work for PE pipes used in gas distribution networks. Our PE Pipes Division is our non-core business and represents a relatively small contribution to our revenue.

Agency and Procurement Division

Previously, we also engaged in the trading of aluminium alloy plates and other metal products, through our Agency and Procurement Division, but we discontinued such trading activities in March 2009.

Cost of Sales

Our cost of sales consists of the direct costs of production which include the following:

- Raw materials;
- Labour costs relating to production;
- Depreciation costs for our property, plant and equipment;
- Utilities; and
- Other production costs, which mainly include impairment of property, plant and equipment, consumables and repair and maintenance costs.

The following table sets out the principal components of our cost of sales and as a percentage of our total cost of sales from continuing operations and the total cost of sales from discontinued operations for each of the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2009 and 2010:

Cost of sales	**For the year ended 31 December**						**For the three months ended 31 March**			
	2007		**2008**		**2009**		**2009**		**2010**	
	S$'000	***% of cost of sales***	***S$'000***	***% of cost of sales***	***S$'000***	***% of cost of sales***	***S$'000***	***% of cost of sales***	***S$'000***	***% of cost of sales***
							(unaudited)			
Continuing operations										
Raw materials	62,712	82.9%	76,513	84.1%	73,550	78.7%	13,914	77.2%	25,290	81.5%
Labour costs	1,601	2.1%	2,604	2.9%	3,781	4.1%	770	4.3%	1,339	4.3%
Depreciation costs	6,203	8.2%	7,204	7.9%	9,770	10.5%	2,130	11.8%	1,928	6.2%
Utilities	1,931	2.6%	2,337	2.6%	2,951	3.1%	603	3.3%	746	2.4%
Other production costs	3,193	4.2%	2,303	2.5%	3,346	3.6%	604	3.4%	1,724	5.6%
Total	75,640	100.0%	90,961	100.0%	93,398	100.0%	18,021	100.0%	31,027	100.0%

	For the year ended 31 December			**For the three months ended 31 March**	
	2007	**2008**	**2009**	**2009**	**2010**
	S$'000	***S$'000***	***S$'000***	***S$'000***	***S$'000***
				(unaudited)	
Discontinued operations					
Total	18,042	2,619	178	185	–

Gross Profit

For each of the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, our gross profit from continuing operations, which is equal to revenue less cost of sales, was approximately S$44.2 million, S$47.2 million, S$56.6 million and S$15.0 million, respectively. Our gross profit margin from continuing operations, which is equal to gross profit divided by revenue, was approximately 36.9%, 34.2%, 37.7% and 32.6%, respectively, for the same periods. Our gross profit margin decreased from 36.9% in 2007 to 34.2% in 2008 primarily due to an increase in the price of raw materials, which resulted in higher cost of sales. It increased from 34.2% in 2008 to 37.7% in 2009 primarily due to a decrease in the price of raw materials, which resulted in lower cost of sales. Our gross profit margin decreased from 42.3% for the three months ended 31 March 2009 to 32.6% for the three months ended 31 March 2010 primarily due to an increase in the price of raw materials, which resulted in an increase in both our revenue (our revenue includes raw material price) and cost of sales from continuing operations, resulting in lower gross profit margin even though our gross profit increased during the same period.

The increase in raw material prices during the Track Record Period, however, has had a minimal effect on our gross profit due to the nature of our fixed-price and "cost-plus" contacts we enter into with our customers, which enable us to maintain relatively stable gross profit. For fixed-price contracts, we fix the price of the aluminium alloy extrusion products with our customers, which effectively fixes our revenue. For "cost-plus" contracts where raw material price risk can be passed through to customers, an increase in raw material costs will increase both our revenue and our cost of sales; gross profit would remain the same. The ratio of fixed-price and "cost-plus" contracts we enter into in a particular year with our customers does not affect our Company's gross profit and net profit trend and performance.

Historically, whether our customers chose to enter into fixed-price or "cost-plus" contracts with us depended on the prevailing trading price of aluminium at the time of each order and/or customers' perception of future movements in aluminium alloy raw material prices[1]. For more information on our fixed-price contracts and "cost-plus" contracts and their contribution to total revenue from continuing operations, please refer to the section headed "Business – Our Customers and Our Contracts – Our Contracts" in this prospectus.

1 There is no historical observed pattern partly due to the fact that fixed-price and "cost-plus" contracts signed in a year are typically deliverable over the course of two to three years.

The following table sets out our gross profit and gross profit margin from continuing operations and gross profit from discontinued operations for each of the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2009 and 2010:

Business segments	For the year ended 31 December			For the three months ended 31 March	
	2007	2008	2009	2009	2010
	(S$'000)	*(S$'000)*	*(S$'000)*	*(S$'000)* *(unaudited)*	*(S$'000)*
Continuing operations					
Aluminium Alloy Division. . .	40,399	44,579	54,937	12,680	14,793
PE Pipe Division.	3,836	2,599	1,658	520	233
Total Gross Profit	44,235	47,178	56,595	13,200	15,026
Gross Profit Margin (%)	*36.9%*	*34.2%*	*37.7%*	*42.3%*	*32.6%*
Discontinued operations					
Agency & Procurement Division	991	3,717	776	806	–

Other Operating Income

Our other operating income primarily includes non-recurring reinvestment tax refunds, gain on the sale of scrap materials at our Aluminium Alloy Division, interest income from deposits, foreign exchange gain or losses and others, which includes commission income from rebates granted by certain of our suppliers and sundry income (i.e. miscellaneous income) such as reimbursement income.

Reinvestment tax refunds are monies paid back to our Company pursuant to a tax policy adopted by the PRC government. These reinvestment tax refunds are non-recurring because the tax policy pursuant to which the refunds were granted have been abolished under the PRC EIT Law. Reinvestment tax refunds generally amount to 40% of the amount of reinvested profit and the increased amount in operating capital investment. The timing of the refund is conditioned upon the payment of income tax by the Company. We applied for a reinvestment tax refund on 12 January 2007. Our application was approved by the PRC tax authorities and we received such reinvestment tax refunds over the course of 2007 to 2009.

The following table sets out our other operating income from continuing operations and discontinued operations for each of the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2009 and 2010:

Other Operating Income	For the year ended 31 December			For the three months ended 31 March	
	2007	2008	2009	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000* *(unaudited)*	*S$'000*
Continuing operations					
Commission income	323	–	101	48	–
Foreign exchange gains/(losses)	116	(200)	348	–	–
(Loss)/income from disposal of scrap materials	(69)	163	306	48	122
Interest income	157	208	144	24	59
Reinvestment tax refunds	1,510	3,031	692	–	–
Sundry income	32	132	307	–	–
Total	2,069	3,334	1,898	120	181
Discontinued operations					
Total	368	2	–	–	–

Selling and Distribution Expenses

Our selling and distribution expenses consist primarily of transportation costs related to the transport of our finished products as well as monies paid to third-party transportation vendors, packaging costs, marketing staff costs and marketing expenses, and travel and accommodation expenses. Selling and distribution costs represented approximately 2.5%, 2.7%, 3.1% and 2.7% of our total revenue from continuing operations for each of the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively. The increases in our selling and distribution expenses are primarily attributable to the increased demand for our products in our Aluminium Alloy Division which led to higher transportation costs and higher salaries and benefits for our marketing staff.

Administrative Expenses

Our administrative expenses primarily consist of salaries for administrative staff (including the salaries of our Chairman, chief executive officer and Directors), property and other taxes, share option expenses, depreciation of property, plant and equipment, amortisation of prepaid rental and land use rights, travelling and entertainment expenses and miscellaneous expenses related to administration. Administrative expenses represented approximately 6.3%, 5.9%, 6.5% and 7.3% of our total revenue from continuing operations for each of the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively.

Finance Costs

Finance costs consist of interest payments on bank borrowings, bank charges, and interest on discounted notes receivables. Finance costs represented approximately 1.6%, 1.9%, 0.5% and 0.4% of our total revenue from continuing operations for each of the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively.

Share of Profits of an Associate

Share of profits of an associate represents our investment in NPRT, which contributed S$1.3 million, S$1.9 million, S$3.3 million and S$1.7 million to our profit before income tax expense from continuing operations for each of the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively.

Income Tax Expense

Our effective tax rate for each of the three years ended 31 December 2007, 2008 and 2009 was approximately 9.5%, 19.1% and 19.8%, respectively. Our income tax expense increased significantly from 2007 to 2008 due to changes in the corporate income tax rate in the PRC brought about by the PRC EIT Law which took effect on 1 January 2008, which applied a uniform 25% enterprise income tax to both foreign-invested enterprises and domestic enterprises. Consequently, with effect from 1 January 2008, all of our PRC subsidiaries became subject to a 25% enterprise income tax, except for Jilin Midas which continued to enjoy the tax incentive of 50% relief derived from its second production line.

Since 1 January 2008, profits from the first production line of our Aluminium Alloy Division are taxed at 25% (for the year ended 31 December 2007 it was taxed at 15%) while profits generated from the second production line are taxed at an incentive tax rate of 12.5% (for the year ended 31 December 2007 it was exempt from tax). We expect the incentive tax rate of 12.5% from our second production line to end at the end of 2010. For details of the effect of the PRC tax laws see "Risk Factors – Risks Relating to Doing Business in the PRC – The discontinuation of the preferential tax treatment currently available to us may increase our tax liability and in turn decrease our net income, hence affecting our financial conditions and results of operation."

REVIEW OF HISTORICAL OPERATING RESULTS

Three months ended 31 March 2009 compared to three months ended 31 March 2010

Revenue

Revenue from continuing operations increased by 47.5% from S$31.2 million for the three months ended 31 March 2009 to S$46.1 million for the three months ended 31 March 2010. The increase in revenue was due to an increase in revenue generated in our Aluminium Alloy Division. Revenue from our Aluminium Alloy Division grew by 49.7% from S$29.7 million for the three months ended 31 March 2009 to S$44.5 million for the three months ended 31 March 2010 mainly driven by an increase in the demand for our products in the PRC rail transport industry. As a result of this increase in demand for our products, this division continued to be the key contributor to our growth, accounting for 95.2% of total revenue from continuing operations for the three months ended 31 March 2009 and 96.7% of total revenue from continuing operations for the three months ended 31 March 2010.

Revenue from the Aluminium Alloy Division was largely attributable to the railway transport industry, which accounted for 71.8% of total revenue for this division for the three months ended 31 March 2009 and 69.6% of total revenue for this division for the three months ended 31 March 2010, and other industries, which accounted for 13.6% of total revenue for this division in the three months ended 31 March 2009 and 20.7% for the three months ended 31 March 2010. Revenue from other industries went up due to an increase in the sales revenue of our aluminium alloy rods and other specialised profiles. Revenue generated from the power industry remained stable accounting for approximately S$4.3 million for both of the three months ended 31 March 2009 and 2010. The proportion of revenue generated from the power industry, however, decreased from 14.6% of total revenue for this division for the three months ended 31 March 2009 to 9.7% of total revenue for this division for the three months ended 31 March 2010, mainly due to the railway transport industry growing at a faster pace than the power industry during these three months. This decrease may not be indicative of results for any future period or a trend of our future sales to the aluminium industry or power industry.

Our PE Pipes Division contributed 4.8% and 3.3% of our total revenues from continuing operations for the three months ended 31 March 2009 and 2010, respectively.

Cost of Sales

Cost of sales from continuing operations significantly increased by 72.2% from S$18.0 million for the three months ended 31 March 2009 to S$31.0 million for the three months ended 31 March 2010, primarily due to an increase in the cost of sales of our Aluminium Alloy Division and an increase in the cost of sales of our PE Pipes Division. Cost of sales for our Aluminium Alloy Division increased by 74.3% mostly in line with the increase in our revenue driven by the increased demand for our products in the PRC rail transport industry and also due to an increase in raw material costs. In line with our PE Pipes Division revenue, cost of sales for our PE Pipes Division increased by 34.3% from S$1.0 million for the three months ended 31 March 2009 to S$1.3 million for the three months ended 31 March 2010.

Gross Profit

Gross profit from continuing operations increased by 13.8% from S$13.2 million for the three months ended 31 March 2009 to S$15.0 million for the three months ended 31 March 2010. Our gross profit margin from continuing operations decreased from 42.3% for the three months ended 31 March 2009 to 32.6% for the three months ended 31 March 2010. The increase in gross profit from continuing operations was driven by growth in our Aluminium Alloy Division. Our gross profit margin from continuing operations declined primarily because the gross profit margin of our Aluminium Alloy Division decreased from 42.7% for the three months ended 31 March 2009 to 33.2% for the three months ended 31 March 2010 due to an increase in the price of raw materials, which resulted in higher cost of sales.

Other Operating Income

Other operating income from continuing operations increased by 50.8% from S$0.1 million for the three months ended 31 March 2009 to S$0.2 million for the three months ended 31 March 2010 due to an increase of S$0.07 million in the income from disposal of scrap materials and an increase of S$0.04 million in the interest income. This increase was offset by a decrease of S$0.05 million in commission income.

Selling and Distribution Costs

Selling and distribution costs from continuing operations increased significantly by 73.0% from S$0.7 million for the three months ended 31 March 2009 to S$1.2 million for the three months ended 31 March 2010, outpacing the increase in our revenue from continuing operations. This increase was due to increases in transportation costs, consumable items and staff costs driven by the increased demand for our products recorded at our Aluminium Alloy Division.

Administrative Expenses

Administrative expenses from continuing operations increased significantly by 67.5% from S$2.0 million for the three months ended 31 March 2009 to S$3.3 million for three months ended 31 March 2010, outpacing the increase in our revenue from continuing operations. This increase was primarily due to increases in salaries paid to our Directors, senior management and administrative employees from S$0.7 million for the three months ended 31 March 2009 to S$1.1 million for the three months ended 31 March 2010 mainly attributable to higher headcount as a result of our expansion plans, and also to an increase in depreciation, utilities and property taxes.

Finance Costs

Our finance costs from continuing operations decreased significantly by 66.2% from S$0.6 million for the three months ended 31 March 2009 to $0.2 million for the three months ended 31 March 2010. This decrease was mainly due to capitalisation of approximately S$1.3 million of borrowing costs for the three months ended 31 March 2010 arising from the loans obtained to finance the construction of property, plant and equipment for our new production lines in 2010.

Share of Profit/Loss of an Associate

The contribution of our associate company, NPRT, increased from a loss of S$0.08 million for the three months ended 31 March 2009 to a profit of S$1.7 million for the three months ended 31 March 2010.

Profit before Income Tax Expense

Our profit before income tax expense from continuing operations increased by 21.8% from S$9.9 million for the three months ended 31 March 2009 to S$12.1 million for the three months ended 31 March 2010. This increase was primarily due to the increase in revenue in our Aluminium Alloy Division and increase in the contribution of NPRT.

Income Tax Expense

Our income tax expense from continuing operations increased by 13.4% from S$1.9 million for the three months ended 31 March 2009 to S$2.1 million for the three months ended 31 March 2010. This increase was in line with the increase in our profit before income tax as described above.

Profit for the Period

Our total profit for the period from continuing operations increased by 23.8% from S$8.0 million for the three months ended 31 March 2009 to S$9.9 million for the three months ended 31 March 2010. Our overall profit for the year (including both continuing and discontinued operations) went up by 16.6% from S$8.5 million for the three months ended 31 March 2009 to S$9.9 million for the three months ended 31 March 2010.

Discontinued Operations

Revenue from discontinued operations was S$1.0 million for the three months ended 31 March 2009 as compared to nil for the three months ended 31 March 2010. Profit for the period from discontinued operations was S$0.5 million for the three months ended 31 March 2009 as compared to nil million for the three months ended 31 March 2010. These differences in revenue and profit between the three months ended 31 March 2009 and the three months ended 31 March 2010 were mainly due to the fact that we discontinued operations of Agency and Procurement Division in March 2009.

Year Ended 31 December 2008 Compared to Year Ended 31 December 2009

Revenue

Revenue from continuing operations increased by 8.6% from S$138.1 million in 2008 to approximately S$150.0 million in 2009. The increase in revenue was due to an increase in revenue generated in our Aluminium Alloy Division which was partially offset by a decline in revenue in our PE Pipes Division. Revenue generated from our Aluminium Alloy Division grew 12.9% from S$126.7 million in 2008 to S$143.0 million in 2009 mainly driven by an increase in the demand for our products in the PRC rail transport industry and our effort to concentrate on our Aluminium Alloy Division. As a result of the increase in demand for train cars in the rail transport industry, this division continued to be the key contributor to our growth, accounting for 91.7% of total revenue from continuing operations in 2008 and 95.4% of total revenue from continuing operations in 2009.

Revenue from the Aluminium Alloy Division was largely attributable to the railway transport industry, which accounted for 64.3% of total revenue for this division in 2008 and 64.8% of total revenue for this division in 2009, and other industries, which accounted for 12.3% of total revenue for this division in 2008 and 17.3% of total revenue for this division in 2009. Revenue from other industries went up due to an increase in the sales revenue of our aluminium alloy rods and other specialised profiles, which are primarily used in the production of mechanical parts for industrial machinery. The increase in revenue from the railway transport industry and other industries was slightly offset by the decrease in revenue from the power industry. Revenue generated from the power industry decreased from S$29.6 million (23.4% of total revenue for this division) in 2008 to S$25.6 million (17.9% of total revenue for this division) in 2009 mainly due to a decrease in sales revenue of our aluminium alloy tubings which are used in power stations for power transmission purposes resulting from a decrease in the amount of contracts that we were awarded for the purchase of our aluminium alloy tubings. Revenue generated from our PE Pipes Division decreased by 39.1% from S$11.4 million in 2008 to approximately S$7.0 million in 2009. This decrease was mainly due to increased competition and our increased focus on our aluminium alloy business, which is our core revenue generating division.

Cost of Sales

Cost of sales from continuing operations increased by 2.7% from S$91.0 million in 2008 to S$93.4 million in 2009, primarily due to an increase in the cost of sales of our Aluminium Alloy Division which was partially offset by a decrease in the cost of sales of our PE Pipes Division. Cost of sales for our Aluminium Alloy Division increased by 7.3% mostly in line with the growth in our revenue from this division due to the increased demand for our products in the PRC rail transport industry and also our effort to concentrate on our Aluminium Alloy Division, which was partially offset by the decrease in the average price of raw materials. In line with our PE Pipes Division revenue, cost of sales for our PE Pipes Division decreased by 40.0% from S$8.8 million in 2008 to S$5.3 million in 2009.

Gross Profit

Our gross profit from continuing operations increased by 20.0% from S$47.2 million in 2008 to S$56.6 million in 2009. Our overall gross profit margin from continuing operations increased from 34.2% in 2008 to 37.7% in 2009. The increase in both gross profit and overall gross profit margin from continuing operations was in line with the growth in our revenue. The increase was largely due to the higher proportion of turnover contributed by our Aluminium Alloy Division, which commanded a higher gross profit margin compared to our PE Pipes Division. The gross profit margin of our PE Pipes Division increased from 22.7% in 2008 to 23.8% in 2009 due to a decrease in the average price of raw materials in 2009 compared to 2008.

Other Operating Income

Other operating income from continuing operations decreased significantly by 43.1% from S$3.3 million in 2008 to S$1.9 million in 2009 mainly due to a decrease in the amount received from non-recurring reinvestment tax refund from S$3.0 million in 2008 to approximately S$0.7 million in 2009 received by our Aluminium Alloy Division. This decrease was partially offset by a foreign exchange gain of S$0.3 million arising from certain sales to overseas customers and purchases of overseas machinery, which were denominated in U.S. dollars and Euros.

Selling and Distribution Costs

Selling and distribution costs from continuing operations increased by 24.4% from S$3.8 million in 2008 to S$4.7 million in 2009. This increase was mainly due to increases in packaging, marketing and transportation costs, which were in line with the growth in our revenue driven by the increased demand for our products recorded at our Aluminium Alloy Division.

Administrative Expenses

Administrative expenses from continuing operations increased by 19.4% from S$8.2 million in 2008 to S$9.8 million in 2009, outpacing the increase in our revenue from continuing operations. This increase was primarily due to increases in salaries paid to our Directors, senior management and administrative employees from S$2.7 million in 2008 to S$3.3 million in 2009 mainly attributable to higher headcount and our staff retention efforts, and also to an increase in amortisation of prepaid rental and land use rights, write-off of bad debts and property and other taxes.

Finance Costs

Our finance costs from continuing operations significantly decreased by 68.8% from S$2.6 million in 2008 to $0.8 million in 2009. This decrease was mainly due to capitalisation of approximately S$2.6 million of borrowing costs in 2009 arising from the loans obtained to finance the construction of property, plant and equipment for our new production lines in 2009.

Share of Profits of an Associate

The contribution of our associate company, NPRT, increased by approximately 73.1% from S$1.9 million in 2008 to S$3.3 million in 2009.

Profit before Income Tax Expense

Our profit before income tax expense from continuing operations increased by 22.9% from S$37.8 million in 2008 to S$46.5 million in 2009. This increase was in line with our gross profit from continuing operations and was primarily due to the increase in revenue in our Aluminium Alloy Division, strong growth and contribution from NPRT and other factors as described above.

Income Tax Expense

Our income tax expense from continuing operations increased significantly by 27.7% from S$7.2 million in 2008 to S$9.2 million in 2009. This increase was in line with the increase in our profit before income tax as described above. Our effective tax rate remained relatively stable from 19.1% in 2008 to 19.8% in 2009.

Profit for the Year

Profit for the year from continuing operations went up 21.7% from S$30.6 million in 2008 to S$37.3 million in 2009. This increase was due to the factors mentioned above. Our overall profit for the year (including both continuing and discontinued operations) went up by 14.9% from S$32.7 million to S$37.5 million.

Discontinued Operations

Revenue from discontinued operations was S$6.3 million in 2008 as compared to S$1.0 million in 2009. Profit for the year from discontinued operations was S$2.1 million in 2008 as compared to S$0.3 million in 2009. These differences in revenue and profit between 2008 and 2009 were mainly due to the fact that we discontinued operations of this division in March 2009. As a result we only recorded one quarter of revenue for that division.

Year Ended 31 December 2007 Compared to Year Ended 31 December 2008

Revenue

Revenue from continuing operations increased by 15.2% from S$119.9 million in 2007 to S$138.1 million in 2008. The increase in revenue was due to an increase in revenue generated in our Aluminium Alloy Division which was partially offset by a decline in revenue in our PE Pipes Division.

Revenue generated from our Aluminium Alloy Division grew 19.1% from S$106.4 million in 2007 to S$126.7 million in 2008 mainly driven by the increase in demand for our aluminium alloy extrusion products in the PRC rail transport industry and our effort to concentrate on our Aluminium Alloy Division resulting from the growth experienced in the rail transport industry and infrastructural developments in the PRC and an increase in the price of raw materials. This division continued to be the key contributor to our growth, accounting for 88.8% of total revenue from continuing operations in 2007 and 91.7% of total revenue from continuing operations in 2008. Revenue from the Aluminium Alloy Division was largely attributable to the rail transport industry, which contributed 52.1% of the division's revenue in 2007 and 64.3% of the division's revenue in 2008. This increase in revenue from the rail transport industry was partially offset by the decrease in revenue from other industries, which decreased from 25.7% of the division's revenue in 2007 to 12.3% of the division's revenue in 2008 mainly due to a decrease in the sales of our aluminium alloy rods and other specialised profiles, which are used in the production of mechanical parts for industry machinery. Revenue from the power industry stayed relatively stable from 22.2% of total revenue in 2007 to 23.4% of total revenue in 2008.

Revenue generated from our PE Pipes Division decreased by 15.1% from S$13.5 million in 2007 to S$11.4 million in 2008. This decrease was mainly due to unfavourable operating conditions as a result of increased competition in the industry.

Cost of Sales

Cost of sales from continuing operations increased by 20.3% from S$75.6 million in 2007 to S$91.0 million in 2008, primarily as a result of strong revenues for our aluminium alloy extrusion products in our Aluminium Alloy Division due to the boom in the PRC's rail infrastructure industry. Cost of sales for our Aluminium Alloy Division went up by 24.4% from S$66.0 million in 2007 to S$82.1 million in 2008 mostly in line with the growth in our revenue from this division due to an increase in demand for aluminium alloy extrusion products and an increase in the cost of raw materials. This increase was partially offset by a decrease in the cost of sales in our PE Pipes Division, which decreased by 8.3% from S$9.6 million in 2007 to S$8.8 million in 2008 in line with the decrease in revenue from that division.

Gross Profit

Our gross profit from continuing operations increased by 6.7% from S$44.2 million in 2007 to S$47.2 million in 2008. Our overall gross profit margin from continuing operations decreased from 36.9% in 2007 to 34.2% in 2008. The increase in gross profit from continuing operations was in line with the growth in our revenue and driven by growth in our Aluminium Alloy Division. Overall our gross profit margin from continuing operations declined primarily because the gross profit margin of our Aluminium Alloy Division contracted slightly from 38.0% in 2007 to 35.2% in 2008 due to an increase in the cost of raw materials, which resulted in higher cost of sales, and the gross profit margin of our PE Pipes Division decreased from 28.5% in 2007 to 22.7% in 2008 due to increased competition and an increase in the price of raw materials.

Other Operating Income

Other operating income from continuing operations increased significantly by 61.1% from S$2.1 million in 2007 to S$3.3 million in 2008 mainly due to (i) an increase in the amount received from non-recurring reinvestment tax refund from S$1.5 million in 2007 to S$3.0 million in 2008 received by our Aluminium Alloy Division, and (ii) an increase in gain of S$0.2 million from the sales of scrap materials. This increase was partially offset by (i) a foreign exchange loss of S$0.2 million due to certain sales to overseas customers and purchases of overseas machinery in 2008, which were denominated in U.S. dollars and Euros and (ii) a decrease in commission income of S$0.3 million.

Selling and Distribution Costs

Selling and distribution costs from continuing operations increased by 27.8% from S$3.0 million in 2007 to S$3.8 million in 2008. This increase was mainly driven by the increased demand for our products recorded at our Aluminium Alloy Division, which resulted in growth in our revenue and consequently an increase in transportation and marketing expenses and salaries for our sales staff caused by higher average annual remuneration, which increased from S$0.3 million in 2007 to S$0.5 million in 2008.

Administrative Expenses

Administrative expenses from continuing operations increased by 8.0% from S$7.6 million in 2007 to S$8.2 million in 2008 in line with the growth in our revenue. This increase was primarily due to increases in salaries paid to our administrative employees from S$2.0 million in 2007 to S$2.5 million in 2008 mainly attributable to our staff retention effort as well as an increase in marketing costs, utility costs and property and other taxes. This increase was partially offset by a decrease in share-based payment expenses.

Finance Costs

Our finance costs from continuing operations increased by 33.7% from S$1.9 million in 2007 to S$2.6 million in 2008. This increase was mainly due to an increase in financing costs related to the discounted notes receivables and an increase in interest expense for bank borrowings due to an increase in outstanding bank borrowings. From 2007 to 2008, we significantly expanded our production capacity. As a result, we increased the amount of our bank borrowings to meet our working capital needs during this period. For details of our indebtedness, please refer to the section headed "Indebtedness" below.

Share of Profits of an Associate

The contribution of our associate company, NPRT, increased by approximately 52.5% from S$1.3 million in 2007 to S$1.9 million in 2008.

Profit before Income Tax Expense

Our profit before income tax expense from continuing operations increased by 7.9% from S$35.1 million in 2007 to S$37.8 million in 2008. This increase was primarily due to the increase in revenue in our Aluminium Alloy Division and other factors as described above.

Income Tax Expense

Our income tax expense from continuing operations increased significantly by 116.8% from S$3.3 million in 2007 to S$7.2 million in 2008 due to changes in the corporate income tax rate in the PRC. In 2007, profits from the first production line of our Aluminium Alloy Division were taxed at 15%; however, due to the changes in the corporate income tax rate as a result of the imposition of the New PRC EIT Law, our first production line was taxed at 25% in 2008. Similarly, profits generated from the second production line in 2007 were not taxed; however, in 2008 profits were taxed at an incentive tax rate of 12.5%. Our effective tax rates in 2007 and 2008 were 9.5% and 19.1%, respectively.

Profit for the Year

Changes in the tax rates in the PRC significantly impacted our net profit from continuing operations which decreased by 3.5% from S$31.7 million in 2007 to S$30.6 million in 2008. Our overall profit for the year (including both continuing and discontinued operations) went up by 2.4% from S$31.9 million in 2007 to S$32.7 million in 2008.

Discontinued Operations

Revenue from discontinued operations decreased from S$19.0 million in 2007 to S$6.3 million in 2008. This decrease was mainly due to our increased business focus on our Aluminium Alloy Division. Despite the decrease in revenue, profit for the year from discontinued operations went up from S$0.2 million in 2007 to S$2.1 million in 2008. This was mainly due to an increase in the trading of high-margin metal products.

LIQUIDITY AND CAPITAL RESOURCES

Overview

To date, we have financed our operations primarily through cash flow from operations, short-term bank borrowings and net proceeds raised from the issuance of new ordinary shares. We had cash and bank balances of S$51.7 million, S$32.4 million, S$101.2 million and S$94.5 million as of 31 December 2007, 2008 and 2009 and 31 March 2010, respectively. In 2009, we received approximately S$89.5 million of net proceeds from the issuance of new ordinary shares. We generally deposit our excess cash in interest bearing bank accounts.

Our current assets primarily consist of inventories, trade and other receivables, tax recoverable and cash and bank balances. Our current liabilities primarily consist of trade and other payables, bank borrowings, dividends payable and income tax payable. We had net current assets of approximately S$72.2 million, S$67.7 million, S$77.1 million and S$63.2 million as of 31 December 2007, 2008 and 2009 and 31 March 2010, respectively. As at 31 July 2010, our net current assets were S$69.1 million.

During the Track Record Period, our principal use of cash was for operating expenses, funding of capital expenditures and dividend payments.

We expect that our future cash needs will derive primarily from our intended capital expenditures and our operating expenses. For details of our capital commitments and other expenditures, please refer to our Contractual Obligation and Contingent Liabilities table below. We believe that cash generated from our operating activities and the net proceeds of this offering will be sufficient to fund these cash needs.

As of 31 March 2010, we had outstanding short-term bank loans of S$83.0 million, which bear interest rates of 4.78% to 6.37%. These short-term bank loans have one-year repayment terms, and are repayable within the next twelve months of the reporting period. The majority of these loans are secured by mortgages against certain of our property, plant and equipment and land use rights for our Aluminium Alloy Division and trade receivables and some of them are guaranteed by inter-company guarantees or by third party guarantees.

As of 31 March 2010, we had an outstanding long-term bank loan of S$20.9 million, which bears an interest rate of 5.94%. This long-term bank loan, which we borrowed in 2009, has a term of 7 years and is repayable on 27 September 2016. This loan is secured by a mortgage against our property, plant and equipment for our Aluminium Alloy Division. For details of our indebtedness, please refer to the section headed "Indebtedness – Bank Borrowings" below.

Our substantial shareholder and Executive Chairman, Chen Wei Ping, extended an unsecured interest free loan of approximately S$8.3 million to us in 2003 to be used for our general working capital requirements. In 2007, we repaid the remaining balance of S$6.2 million.

Cash Flow

The following table sets forth certain information regarding our consolidated cash flows for the periods indicated:

	For the year ended 31 December			For the three months ended 31 March	
	2007	2008	2009	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000* *(unaudited)*	*S$'000*
Net cash from operating activities	34,027	31,798	42,489	16,356	15,262
Net cash (used in) investing activities	(12,639)	(40,311)	(129,184)	(17,429)	(26,726)
Net cash (used in) from financing activities.	(15,506)	(15,679)	156,634	9,008	5,383
Cash and cash equivalents at beginning of year/period . .	49,944	51,666	32,406	32,406	101,223
Cash and cash equivalents at end of year/period	51,666	32,406	101,223	42,706	94,519

Net Cash from Operating Activities

We derive our cash inflow from operating activities primarily through the receipt of payments for the sale of our aluminium alloy extrusion products. Our cash outflow from operating activities is used primarily for raw material purchases, payment of utilities, selling and distribution costs, and staff salaries.

Our net cash flow generated from operating activities reflects our profit before income tax expense, as adjusted for non-cash items, such as depreciation, and the effects of changes in working capital, such as increases or decreases in trade and other receivables, accruals, trade and other payables, and income tax payment.

For the three months ended 31 March 2010, we had net cash from operating activities in the amount of S$15.3 million, primarily as a result of S$12.1 million in profit before income tax expense, an increase in trade and other payables of S$9.0 million and a decrease of S$0.5 million in trade and other receivables, offset by an increase of S$4.3 million in inventories. The increase in inventories was mainly the result of an increase in raw materials due to an increase in the amount of contractual commitments to deliver our aluminium alloy extrusion products to customers in the second quarter of 2010 as compared to the first quarter of 2010. The increase in trade and other payables was mainly due to the increase in advances from third-parties and an increase in trade payables for the purchase of raw materials as a result of the increase in business volume experienced at our Aluminium Alloy Division. The decrease in trade and other receivables was mainly due to improved collections of trade and other receivables at our Aluminium Alloy Division.

In 2009, we had net cash from operating activities in the amount of S$42.5 million, primarily as a result of S$46.9 million in profit before income tax expense, a decrease of S$14.2 million in trade and other receivables, partially offset by a decrease of S$16.9 million in trade and other payables and an increase of S$2.2 million in inventories. The decrease in trade and other receivables was mainly attributable to a decrease in deposits and prepayments made to suppliers to secure purchases of inventories and improved collections of trade receivables at our Aluminium Alloy Division. The decrease in trade and other payables was mainly due to a significant decrease in the trade advances made to us by our associate NPRT for the purchase of our aluminium alloy extrusion products. The increase in inventories was mainly due to an increase in raw materials due to an increase in the amount of contractual commitments to deliver our aluminium alloy extrusion products to customers in the first quarter of 2010 as compared to the first quarter of 2009.

In 2008, we had net cash from operating activities in the amount of S$31.8 million, primarily as a result of S$40.7 million in profit before income tax expense, a S$15.4 million increase in trade and other payables and a decrease of S$3.9 million in inventories, partially offset by an increase of S$26.6 million in trade and other receivables and S$8.5 million of income tax payment. The increase in trade and other payables was primarily attributable to an increase in trade advances made to us by our associate NPRT for the purchase of our aluminium alloy extrusion products. The decrease in inventories was mainly due to a decrease in raw materials as a result of lesser contractual commitments to deliver our aluminium alloy extrusion products to customers in the first quarter of 2009 as compared to the first quarter of 2008. The increase in trade and other receivables is mainly due to increased sales and an increase in deposits and prepayments made to suppliers to secure purchases of inventories.

In 2007, we had net cash from operating activities in the amount of S$34.0 million, primarily as a result of S$35.3 million in profit before income tax expense, a S$0.7 million increase in trade and other payables and a decrease of S$3.5 million in trade and other receivables, partially offset by an increase of S$9.8 million in inventories. The increase in trade and other payables was mainly due to an increase in business activities experienced at our Aluminium Alloy Division, which led to more purchases of raw materials. The decrease in trade receivables was mainly attributable to improved collections of trade receivables at our Aluminium Alloy Division. The increase in inventories was mainly due to the increase in business volume experienced at our Aluminium Alloy Division as a result of which we processed more inventories to prepare for the first quarter of 2008.

Net Cash used in Investing Activities

Our cash outflow used in investing activities primarily consists of purchases of property, plant and equipment.

For the three months ended 31 March 2010, we had net cash used in investing activities of S$26.7 million, primarily as a result of a S$27.6 million in purchase of property, plant and equipment, and an increase of S$1.3 million in interest paid, partially offset by a decrease of S$2.2 million in pledged bank deposits relating to the settlement of letters of credit mainly for the purchase of property, plant and equipment at our Aluminium Alloy Division.

In 2009, we had net cash used in investing activities of S$129.2 million, primarily as a result of a S$99.4 million for the purchase of property, plant and equipment, S$16.3 million for the acquisition of land use rights for our business expansion, an increase of S$12.0 million in pledged bank deposits relating to the issuance of letters of credit mainly for the purchase of property, plant and equipment at our Aluminium Alloy Division and an increase of S$2.6 million in interest paid, partially offset by S$1.5 million in proceeds from the disposal of property, plant and equipment.

In 2008, we had net cash used in investing activities of S$40.3 million, primarily as a result of S$43.2 million for the purchase of property, plant and equipment, partially offset by a decrease of S$2.9 million in pledged bank deposits relating to the settlement of letters of credit for the purchase of property, plant and equipment at our Aluminium Alloy Division.

In 2007, we had net cash used in investing activities of S$12.6 million, primarily as a result of a S$12.7 million for the purchase of property, plant and equipment and S$0.3 million for the acquisition of land use rights, partially offset by decrease in S$0.4 million in pledged bank deposits relating to the settlement of letters of credit for the purchase of property, plant and equipment.

Net Cash from/used in Financing Activities

For the three months ended 31 March 2010, net cash from financing activities was S$5.4 million, primarily as a result of S$27.0 million in proceeds from bank borrowings, offset by S$19.2 million in the repayment of bank borrowings and S$2.4 million in dividends paid.

In 2009, net cash from financing activities was S$156.6 million, primarily as a result of S$114.5 million in proceeds from bank borrowings and S$89.5 million in proceeds from the issuance of ordinary shares, partially offset by S$38.3 million in the repayment of bank borrowings and S$9.0 million in dividends paid.

In 2008, net cash used in financing activities was S$15.7 million, mainly as a result of S$16.9 million in dividends paid, S$3.7 million in the repayment of bank borrowings and S$0.5 million in the purchase of treasury shares, partially offset by S$5.3 million in proceeds from bank borrowings and S$0.2 million in proceeds used in the issuance of ordinary shares.

In 2007, net cash used in financing activities was S$15.5 million, primarily as a result of S$12.7 million in dividends paid, S$6.2 million for the repayment of an advance by one of our Directors and S$2.9 million in the repayment of bank borrowings, partially offset by S$4.6 million in proceeds from bank borrowings and S$1.7 million in proceeds from the issuance of ordinary shares.

Working Capital

Taking into account the estimated net proceeds from the Global Offering, available banking facilities and cash flow from our operations, we confirm that we have sufficient working capital for our present requirements and for the next 12 months from the date of this prospectus.

Capital Expenditures

We had capital expenditures of S$13.0 million, S$43.2 million, S$118.3 million and S$28.9 million for the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively. Our capital expenditures increased significantly during the Track Record Period due to our investment in significantly expanding our existing production capacity in order to meet the anticipated rapid growth in demand for our aluminium alloy extrusion products. See the section headed "Financial Information – Significant Factors Affecting Our Results of Operations and Financial Condition – Production Capacity" in the prospectus.

A very significant portion of our capital expenditures are for our Aluminium Alloy Division. During the Track Record Period, our capital expenditures were made primarily for the purchase of property, plant and equipment and land use rights. Our property, plant and equipment purchases increased due to additions made to machinery and infrastructure development for the three new extrusion production lines and two new downstream fabrication lines at our Aluminium Alloy Division. For example, in February 2009, we purchased a 110MN extrusion press which will be installed in one of our current production plants in Liaoyuan. In August 2009, we purchased a 36MN extrusion press and a 95MN extrusion press. The addition of these three new extrusion production lines will increase our total annual production capacity from 20,000 tonnes to 50,000 tonnes by the end of 2010. Land use rights increased by S$15.3 million from S$3.0 million in 2008 to S$18.3 million in 2009 following the securing of the rights in relation to our land acquisition from Liaoyuan Jiali Light Alloys Co., Limited.

We financed our capital expenditures through cash flows from operations, bank borrowings and the net proceeds we raised from our issuance of new ordinary shares in July 2009.

The following table sets forth our capital expenditures for the periods indicated:

	For the year ended 31 December			For the three months ended 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
Property, plant and equipment	12,723	43,226	102,081	28,914
Land use rights	318	–	16,256	–
Total	13,041	43,226	118,337	28,914

CERTAIN BALANCE SHEET ITEMS

Property, Plant and Equipment

During the Track Record Period, as part of our expansion plans to increase production capacity we purchased property, plant and equipment for the three new production lines and downstream processing lines at our Aluminium Alloy Division.

Associate

The carrying amount of our interests in our associate NPRT was approximately S$31.0 million, S$31.9 million, S$33.4 million and S$35.1 million as at 31 December 2007, 2008 and 2009 and 31 March 2010, respectively. Our associate NPRT contributed S$1.3 million, S$1.9 million, S$3.3 million and S$1.7 million to our profit before income tax expense from continuing operations for each of the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, respectively.

Trade and Other Receivables

Our trade and other receivables includes trade receivables, notes receivables and deposits and prepayments which include deposits and prepayments to secure purchases of property, plant and equipment and inventories. Our trade and other receivables increased from S$40.0 million in 2007 to S$67.5 million in 2008 primarily due to increased sales and an increase in deposits and prepayments made to suppliers to secure purchases of property, plant and equipment and inventories. Our trade and other receivables decreased from S$67.5 million in 2008 to S$54.9 million in 2009 despite higher sales mainly due to a decrease in deposits and prepayments made to suppliers to secure property, plant and equipment and inventories and improved collection of our trade receivables from customers. Our trade and other receivables decreased from S$54.9 million as at 31 December 2009 to S$54.5 million as at 31 March 2010 primarily due to a decrease in trade receivables, partially offset by an increase in deposits and prepayments made to suppliers to secure property, plant and equipment and inventories and an increase in other receivables.

Inventories

Our inventories comprise finished goods, work-in progress and raw materials. The following table sets forth our ending inventory balances as at the dates indicated:

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	(S$'000)	*(S$'000)*	*(S$'000)*	*(S$'000)*
Raw materials	8,198	2,471	5,205	10,610
Work-in-progress	7,128	7,265	7,262	6,725
Finished goods	4,264	5,929	5,239	4,634
Total	19,590	15,665	17,706	21,969

Our inventories decreased from S$19.6 million at the end of 31 December 2007 to S$15.7 million at the end of 31 December 2008 mainly due to a decrease in raw materials as a result of lesser contractual commitments to deliver our aluminium alloy extrusion products to customers in the first quarter of 2009 as compared to the first quarter of 2008. Our inventories increased from S$15.7 million in 2008 to S$17.7 million in 2009 mainly due to an increase in raw materials. This increase in raw materials was mainly due to an increase in the amount of contractual commitments to deliver our aluminium alloy extrusion products in the first quarter of 2010 to customers as compared to the first quarter of 2009. Our inventories increased from S$17.7 million as at 31 December 2009 to S$22.0 million as at 31 March 2010 mainly due to an increase in raw materials resulting from an increase in the amount of contractual commitments to deliver our aluminium alloy extrusion products to customers in the second quarter of 2010 as compared to the first quarter of 2010.

Trade and Other Payables

Trade and other payables include the outstanding amounts of our obligations related to purchases of raw materials, consumables and property, plant and equipment, advances from our customers and our associate NPRT, such as advances for the purchase of our aluminium alloy extrusion products and notes payable.

Our trade and other payables increased from S$15.3 million in 2007 to S$30.4 million in 2008 primarily due to a significant increase in advances from our associate NPRT and an increase in notes payable, which was partially offset by a decrease in other payables and accruals. Our trade and other payables decreased from S$30.4 million in 2008 to S$13.5 million in 2009 mainly due to a significant decrease in advance from our associate and a decrease in trade payables. Our trade and other payables increased significantly from S$13.5 million as at 31 December 2009 to S$22.5 million as at 31 March 2010. This was primarily due to an increase in advances from third parties from S$1.3 million as at 31 December 2009 to S$8.7 million as at 31 March 2010 and a significant increase in trade payables for the purchase of raw materials from S$5.5 million as at 31 December 2009 to S$9.3 million as at 31 March 2010 as a result of the increase in business volume experienced in our Aluminium Alloy Division. This was partially offset by decrease in advance from our associate NPRT and other payables and accruals.

Bank Borrowings

We expanded our production capacity significantly in recent years. As a result, we substantially increased the amount of our bank borrowings to meet our working capital needs during the Track Record Period. For details of our indebtedness, please refer to the section headed "Indebtedness" below.

Net Current Assets Position

As at 31 December 2007, 2008, 2009 and 31 March 2010, our net current assets were S$72.2 million, S$67.7 million, S$77.1 million and S$63.2 million. As at 31 July 2010, our net current assets were S$69.1 million.

The following table sets forth our assets and liabilities as of the balance sheet dates indicated:

	As at 31 December			As at 31 March	As at 31 July
	2007	2008	2009	2010	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000 (unaudited)*
Current assets					
Inventories	19,590	15,665	17,706	21,969	22,290
Trade and other receivables	40,024	67,473	54,934	54,462	85,692
Tax recoverable	–	–	–	102	–
Cash and cash equivalents	51,666	32,406	101,223	94,519	98,537
Total current assets	111,280	115,544	173,863	171,052	206,519
Current liabilities					
Trade and other payables	15,341	30,358	13,459	22,504	34,812
Bank borrowings	18,373	14,742	80,104	82,984	99,927
Dividends payable	4,226	2,111	2,411	2,411	2,411
Income tax payable	1,157	673	783	–	291
Total current liabilities	39,097	47,884	96,757	107,899	137,441
Net current assets	72,183	67,660	77,106	63,153	69,078

As at 31 March 2010, we had net current assets of S$63.2 million, consisting of S$171.1 million of current assets and S$107.9 million of current liabilities, which represented a decrease of S$13.9 million from our net current assets of S$77.1 million as at 31 December 2009. This decrease was driven in part by a S$6.7 million decrease in cash and bank balances resulting from the expansion of our production capacity and a S$9.0 million increase in trade and other payables.

As at 31 December 2009, we had net current assets of S$77.1 million, consisting of S$173.9 million of current assets and S$96.8 million of current liabilities, which represented an increase of S$9.4 million from our net current assets of S$67.7 million as at 31 December 2008. This increase in net current assets was primarily driven by a S$68.8 million increase in cash and bank balances as a result of cash generated from our Aluminium Alloy Division and proceeds from issuance of ordinary shares, while partially offset by a S$65.4 million increase in bank borrowings due within one year and cash used for expansion of our production capacity.

As at 31 December 2008, we had net current assets of S$67.7 million, consisting of S$115.6 million of current assets and S$47.9 million of current liabilities, which represented a decrease of S$4.5 million from our net current assets of S$72.2 million as at 31 December 2007. This decrease was driven by a S$19.3 million decrease in cash and bank balances resulting from the expansion of our production capacity. This decrease was offset by a S$15.0 million increase in trade and other payables.

Turnover Days of Trade Receivables, Inventories and Trade Payables

Our trade receivables represent receivables from the sale of our products. Our inventories comprise finished goods, work-in progress and raw materials. Our trade payables represent amounts payable in connection with the purchase of materials from various suppliers necessary for our production.

The following table sets forth the turnover days of our Company's trade receivables inventories and trade payables as of the dates indicated:

	For the year ended 31 December			For the three months ended 31 March
	2007	2008	2009	2010
Turnover days of trade receivables[(1)]	85	130	114	82
Turnover days of inventories[(2)]	76	61	69	64
Turnover days of trade payables[(3)]	33	48	35	40

(1) Turnover days of trade receivables for a period is derived by dividing the closing balances of net trade and notes receivables by turnover (including discontinued operations) during the relevant period and then multiplying by 365 days for the years ended 31 December 2007, 2008 and 2009 or by 90 days for the three months ended 31 March 2010.

(2) Turnover days of inventories for a period is derived by dividing the closing balances of inventory by cost of sales (including discontinued operations) during the relevant period and then multiplying by 365 days for the years ended 31 December 2007, 2008 and 2009 or by 90 days for the three months ended 31 March 2010.

(3) Turnover days of trade payables for a period is derived by dividing the closing balances of trade and notes payables by the purchase cost of raw materials during the relevant period and then multiplying by 365 days for the years ended 31 December 2007, 2008 and 2009 or by 90 days for the three months ended 31 March 2010.

Trade receivables are non-interest bearing and are generally on 90 to 120 days credit terms. Our turnover days of trade receivables were 85 days in 2007, 130 days in 2008, 114 days in 2009 and 82 days for the three months ended 31 March 2010. The increase in turnover days of trade receivables from 85 days in 2007 to 130 days in 2008 was primarily a result of prolonged payments from our customers mainly due to the economic downturn. Our turnover days of trade receivables decreased from 130 days in 2008 to 114 days in 2009 due to improved collections of trade receivables from our customers at our Aluminium Alloy Division. The decrease in turnover days of trade receivables from 114 days in 2009 to 82 days for the three months ended 31 March 2010 was due to improved collections of trade receivables from our customers at our Aluminium Alloy Division. Our turnover days of inventories were 76 days in 2007, 61 days in 2008, 69 days in 2009 and 64 days for the three months ended 31 March 2010. In 2008, the turnover days of inventories were lower than in 2007 due to a higher amount of raw materials held in inventory at the end of 2007 in anticipation of contractual commitments to provide a high volume of our aluminium extrusion products in the first quarter of 2008. In 2009, the turnover days of inventories were higher than in 2008 due to a lower amount of raw materials held in inventory at the end of 2008 in anticipation of less contractual commitments to provide our aluminium extrusion products in the first quarter of 2009 as compared to the first quarter of 2008. For the three months ended 31 March 2010, our turnover days of inventories were lower than 2009 due to a higher amount of raw materials held in inventory at 31 December 2009 in anticipation of contractual commitments to provide a high volume of our aluminium extrusion products in the first quarter of 2010. Our turnover days of trade payables were 33 days in 2007, 48 days in 2008, 35 days in 2009 and 40 days for three months ended 31 March 2010. The increase in turnover days of trade payables from 33 days in 2007 to 48 days in 2008 was primarily as a result of prolonged payments to our suppliers mainly due to the economic downturn. Our turnover days of trade payables decreased from 48 days in 2008 to 35 days in 2009 due to timely payments of trade payables. Our turnover days of trade payables increased from 35 days in 2009 to 40 days for the three months ended 31 March 2010. Such turnover days are in line with the average credit period offered by our suppliers ranging from 30 days to 90 days.

Gearing Ratios

	As at 31 December			As at 31 March
	2007	2008	2009	2010
Debt to equity ratio(1)	10.1%	10.0%	30.2%	31.7%
Net cash/(debt)(2) (S$1,000)	33,293	11,337	4,473	(9,375)

(1) Debt to equity ratio is derived by dividing total interest bearing bank loans to shareholder's equity.

(2) Net cash/(debt) is derived by subtracting total interest bearing bank loans from cash and cash equivalents.

Our debt to equity ratio was 10.1% in 2007, 10.0% in 2008 and 30.2% in 2009. Our debt to equity ratio remained stable from 2007 to 2008 because our bank borrowings increased in tandem with shareholders' equity. The increase from 10.0% in 2008 to 30.2% in 2009 was primarily due to the increase in our bank borrowings. Our debt to equity ratio was 31.7% as at 31 March 2010. We increased our bank borrowings to meet our working capital needs and for the expansion of our production capacity.

Our net cash decreased from S$33.3 million in 2007, to S$11.3 million in 2008, to S$4.5 million in 2009 and further decreased to a net debt of S$9.4 million as at 31 March 2010 primarily due to an increase in payments made for the acquisition of property, plant and equipment and land use rights for the expansion of our production capacity. For details of our cash flow, please refer to the section headed "Cash Flow" above.

CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

The following table sets forth our contractual obligations as at 31 March 2010:

	Payment Due by Period				
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
	(S$'000)	*(S$'000)*	*(S$'000)*	*(S$'000)*	*(S$'000)*
Bank borrowings	103,894	82,984	11,154	3,481	6,275
Capital commitments	49,864	25,075	24,789	–	–
Operating lease obligations	754	262	492	–	–
Total	**154,512**	**108,321**	**36,435**	**3,481**	**6,275**

As at 31 July 2010, our capital commitment was approximately S$43.2 million.

Except as disclosed above, as at 31 July 2010, we did not have any material contingent liabilities or guarantees.

INDEBTEDNESS

Bank Borrowings

The following table sets forth the breakdown of our secured and unsecured bank borrowings as at the dates indicated:

	As at 31 December			As at 31 March	As at 31 July
	2007	2008	2009	2010	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000 (unaudited)*
Bank Borrowings					
Secured bank borrowings[(i)]	18,373	18,327	84,852	85,874	101,153
Unsecured bank borrowings[(ii)]	–	2,742	11,898	18,020	47,842
Total bank borrowings	18,373	21,069	96,750	103,894	148,995
Carrying amount repayable:					
Within one year	18,373	14,742	80,104	82,984	99,927
Between one to two years	–	6,327	–	–	–
Between two of five years	–	–	11,648	14,635	34,993
Over five years	–	–	4,998	6,275	14,075
Total bank borrowings	18,373	21,069	96,750	103,894	148,995
Less: Amounts due within one year shown under current liabilities	(18,373)	(14,742)	(80,104)	(82,984)	(99,927)
	–	6,327	16,646	20,910	49,068

(i) The bank borrowings were secured by certain property, plant and equipment, land use rights and various trade receivables owned by the Group as set out in notes 15, 16 and 23 to the accountant's report in Appendix I.

(ii) The bank borrowings were guaranteed by Jilin Midas in 2008 and guaranteed by Jilin Midas and Small and Medium Enterprise Credit Guarantee Centre (中小企信用擔保中心) in 2009.

The following table sets forth the breakdown of our fixed-rate and variable-rate borrowings as at the dates indicated:

	As at 31 December			As at 31 March	As at 31 July
	2007	2008	2009	2010	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000* *(unaudited)*
Fixed-rate borrowings	3,003	2,742	–	–	36,198
Variable-rate borrowings	15,370	18,327	96,750	103,894	112,797
	18,373	21,069	96,750	103,894	148,995

The effective interest rates, which are also equal to contracted interest rates, per annum are as follows:

	As at 31 December			As at 31 March	As at 31 July
	2007	2008	2009	2010	2010
	%	*%*	*%*	*%*	*%* *(unaudited)*
Short-term loans	6.00-7.88	5.80-8.96	4.78-6.37	4.78-6.37	4.86-6.37
Long-term loans	–	7.33	5.94	5.94	5.94

For fixed-rate borrowings, the bank borrowings carried interest rates ranging from 7.67% to 7.88% and at 8.96% per annum as at 31 December 2007 and 2008 respectively. For variable-rate borrowings, the bank borrowings carried interest rates ranging from 90% to 120% of the benchmark interest rate as quoted by The People's Bank of China. Historically, we made short-term borrowings to meet our liquidity needs. Our bank borrowings increased significantly from 2008 to 2009 due to the construction of our new production lines. Our bank borrowings stayed relatively stable in 2007 and 2008. Our bank borrowings are all denominated in Renminbi as at respective reporting dates.

In order to fulfil our expansion plan to increase production capacity significantly, we have relied on both long-term and short-term borrowings during the Track Record Period to fund a portion of our capital requirements. Our long-term and short-term borrowings increased from S$18.4 million as at 31 December 2007 to S$103.9 million as at 31 March 2010. As a result, our debt to equity ratio which is calculated by dividing total interest bearing bank loans to shareholder's equity increased from 10.1% to 31.7%. During the Track Record Period, our debt to equity ratio increased primarily due to the increase in borrowings outpaced the increase in equity.

As at 31 July 2010, which is the latest practicable date for determining our indebtedness, our total long-term and short-term borrowings was S$149.0 million. To finance the expansion of our production capacity, our short-term and long-term borrowings increased by approximately S$16.9 million and S$28.2 million during April to July 2010 according to our management accounts.

Save as disclosed above or otherwise disclosed herein, as at 31 July 2010, our Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities.

There are no material covenants relating to our outstanding debt that would restrict our ability to raise additional capital through debt or equity financing.

Property Interests and Property Valuation

CB Richard Ellis, an independent property valuer, has valued our property interests as of 31 July 2010 and is of the opinion that the value of our property interests as of such date was an aggregate amount of RMB464.0 million which is equivalent to approximately S$93.3 million. The full text of the letter, summary of valuation and valuation certificates with regard to such property interests are set out in Appendix III to this prospectus.

The statement below shows the reconciliation of aggregate amounts of certain buildings and improvements and land use rights as reflected on the audited consolidated financial statements as at 31 March 2010 with the valuation of these buildings and improvements and land use rights as at 31 July 2010 as set out in Appendix III to this prospectus.

	S$'000
Buildings and improvements	37,716
Land use rights	18,137
Net book value as at 31 March 2010	55,853
Movement for the period from 1 April 2010 to 31 July 2010 (unaudited)	
Transfer from construction-in-progress	7,572
Additions	1,069
Depreciation/amortisation	(615)
Exchange differences	(1,211)
Net book value as at 31 July 2010 (unaudited)	62,668
Valuation surplus	30,642
Valuation amount as at 31 July 2010	93,310

OFF-BALANCE SHEET ARRANGEMENTS

Except for the contingent liabilities disclosed, we have not entered into any off-balance sheet arrangements or commitments to guarantee the payment obligations of any third parties. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging or research and development services with us.

UNAUDITED FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 30 JUNE 2010

Selected Results of Operations

The following is a summary of selected unaudited income statement items for the three months ended 30 June 2009 and 2010, which are extracted from and have been prepared in accordance with the basis set forth in the Unaudited Interim Condensed Financial Information, the text of which is set forth in Appendix IA to this prospectus. Results for the three months ended 30 June 2010 may not be indicative of our full year results for the year ending 31 December 2010 or any future periods.

	For the three months ended 30 June	
	2009	2010
	S$'000 *(unaudited)*	*S$'000* *(unaudited)*
Continuing Operations		
Turnover	37,795	47,563
Cost of sales	(22,191)	(32,171)
Gross profit	15,604	15,392
Share of profit of an associate	213	2,424
Profit before income tax expense	11,772	13,238
Income tax expense	(2,260)	(2,154)
Profit for the period from continuing operations	9,512	11,084
Results for the period from discontinued operations	(89)	–
Profit for the period	9,423	11,084

The following table shows the revenue segmentation in percentage terms by end usage at our Aluminium Alloy Division for the three months ended 30 June 2009 and 2010:

	For the three months ended 30 June	
	2009	2010
	% *(unaudited)*	*%* *(unaudited)*
Aluminium Alloy Division		
Rail Transport Industry	61.6%	86.0%
Power Industry	21.1%	0.1%
Others	17.3%	13.9%
Total	100.0%	100.0%

Three months ended 30 June 2009 compared to three months ended 30 June 2010

Revenue

Revenue from continuing operations increased by 25.8% from S$37.8 million for the three months ended 30 June 2009 to S$47.6 million for the three months ended 30 June 2010. The increase in revenue was due to an increase in revenue generated in our Aluminium Alloy Division. Revenue from our Aluminium Alloy Division grew by 26.2% from S$36.0 million for the three months ended 30 June 2009 to S$45.5 million for the three months ended 30 June 2010 mainly driven by an increase in the demand for our products in the PRC rail transport industry. As a result of the increase in demand for train cars in the rail transport industry, this division continued to be the key contributor to our growth, accounting for 95.4% of total revenue from continuing operations in the three months ended 30 June 2009 and 95.6% of total revenue from continuing operations in the three months ended 30 June 2010.

Revenue from the Aluminium Alloy Division was largely attributable to the railway transport industry, which accounted for 61.6% of total revenue for this division for the three months ended 30 June 2009 and 86.0% of total revenue for this division for the three months ended 30 June 2010. This increase in revenue was partially offset by the decrease in revenue from the power industry, which significantly decreased from 21.1% of the division's revenue in the three months ended 30 June 2009 to 0.1% of the division's revenue in the three months ended 30 June 2010 mainly due to production capacity constraints in our Aluminium Alloy Division as well as our increased focus on our railway transport industry. Revenue generated from other industries remained fairly stable during the three months ended 30 June 2009 and the three months ended 30 June 2010. The proportion of revenue generated from other industries, however, decreased from 17.3% for the three months ended 30 June 2009 to 13.9% for the three months ended 30 June 2010 due to the railway transport industry growing at a faster pace than the other industries during these three months.

Our PE Pipes Division contributed 4.6% and 4.4% of our total revenues from continuing operations for the three months ended 30 June 2009 and 2010, respectively.

Cost of Sales

Cost of sales from continuing operations increased by 45.0% from S$22.2 million for the three months ended 30 June 2009 to S$32.2 million for the three months ended 30 June 2010, primarily due to an increase in the cost of sales of our Aluminium Alloy Division and an increase in the cost of sales of our PE Pipe Division. Cost of sales for our Aluminium Alloy Division increased by 46.3% primarily driven by the increased demand for our products in the PRC rail transport industry and an increase in raw material costs. This increase was also partially driven by the costs associated with the commencement of trial production runs for our new production lines. Cost of sales for our PE Pipes Division increased by 25.3% from S$1.4 million for the three months ended 30 June 2009 to S$1.7 million for the three months ended 30 June 2010.

Gross Profit

Our gross profit from continuing operations slightly decreased by 1.4% from S$15.6 million for the three months ended 30 June 2009 to S$15.4 million for the three months ended 30 June 2010. Our gross profit margin from continuing operations decreased from 41.3% for the three months ended 30 June 2009 to 32.4% for the three months ended 30 June 2010. Our gross profit margin from continuing operations declined primarily because the gross profit margin of our Aluminium

Alloy Division decreased from 42.3% for the three months ended 30 June 2009 to 33.1% for the three months ended 30 June 2010. These decreases in gross profit and gross profit margins were due to higher cost of sales as a result of the reasons mentioned above.

Share of Loss/Profit of an Associate

The contribution of our associate company, NPRT, increased from a profit of S$0.2 million for the three months ended 30 June 2009 to a profit of S$2.4 million for the three months ended 30 June 2010.

Profit before Income Tax Expense

Our profit before income tax expense from continuing operations increased by 12.5% from S$11.8 million for the three months ended 30 June 2009 to S$13.2 million for the three months ended 30 June 2010. This increase was primarily due to the increase in revenue in our Aluminium Alloy Division and increase in the contribution of NPRT.

Profit for the Period

Our total profit for the period from continuing operations went up by 16.5% from S$9.5 million for the three months ended 30 June 2009 to S$11.1 million for the three months ended 30 June 2010. Our profit for the period (including both continuing and discontinued operations) went up by 17.6% from S$9.4 million for the three months ended 30 June 2009 to S$11.1 million for the three months ended 30 June 2010.

KEY FINANCIAL RATIOS

The follow tables set out our Group's key financial ratios from both continuing and discontinued operations during the Track Record Period:

Financial Ratios	Formulae	For the year ended 31 December			For the 3 months ended 31 March
		2007	2008	2009	2010
Profitability ratios:					
Growth					
a. Revenue growth		32.6%	4.0%	4.5%	43.0%
b. Net profit growth		24.8%	2.4%	14.9%	16.6%
Profit margins					
a. Gross margin	a. Gross profit/Sales x 100%	32.6%	35.2%	38.0%	32.6%
b. Net profit margin before interest & tax	b. Net profit before interest & taxes/Sales x 100%	26.8%	30.0%	31.6%	26.7%
c. Net profit margin	c. Net profit after taxes/Sales x 100%	23.0%	22.6%	24.9%	21.6%
Return on equity					
a. Return on equity	a. Net profit/Average shareholders' equity x 100%	18.5%	16.7%	14.1%	Not meaningful
b. Return on total assets . .	b. Net profit/Average total assets x 100%	15.0%	13.5%	10.7%	Not meaningful

Return on equity: The decrease in return on equity during the Track Record Period was mainly due to increase in reserves and also share placement in 2009 which enlarged the share capital.

Return on total assets: The decrease in return on assets during the Track Record Period was mainly due to our ongoing expansion. We are currently building up our capacity and expect revenue from this expanded capacity to come in progressively in 2010 and 2011.

Financial Ratios	Formulae	For the year ended 31 December			For the 3 months ended 31 March
		2007	2008	2009	2010
Liquidity ratios:					
Liquidity ratios					
a. Current ratio	a. Current assets/Current liabilities (times)	2.8	2.4	1.8	1.6
b. Quick ratio	b. Current assets – Stock/Current liabilities (times)	2.3	2.1	1.6	1.4

Current ratio: The decrease in current ratio during the Track Record Period was mainly due to our ongoing expansion. We increased our bank borrowings to meet our working capital needs and for the expansion of our production capacity.

Quick ratio: The decrease in quick ratio during the Track Record Period was mainly due to our ongoing expansion. We increased our bank borrowings to meet our working capital needs and for the expansion of our production capacity.

Financial Ratios	Formulae	For the year ended 31 December			For the 3 months ended 31 March
		2007	2008	2009	2010
Capital adequacy ratio:					
Interest coverage	b. Profit before interest and tax/interest (times)	18.9	16.7	58.9	60.0

Interest coverage: Our interest coverage improved during the Track Record Period despite increase in borrowings due to interest on bank borrowings that are directly arising from loans obtained to finance the construction of property, plant and equipment for our new production lines were capitalised.

QUALITATIVE AND QUANTITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to various types of market risks, including credit risk, foreign exchange risk, interest rate risk and liquidity risk in the normal course of our business.

Credit Risk

Our principal financial assets are trade and other receivables and bank balances, which represent our maximum exposure to credit risk in relation to financial assets.

Our credit risk is primarily attributable to trade receivables. In order to minimise credit risk, our management continuously monitors the level of our exposure to ensure that follow-up action is taken to recover overdue debts. In addition, we review the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, our Directors consider that our credit risk is significantly reduced.

Our trade receivables are mainly generated by customers in the PRC. Although we rely on a few key customers, our historical experience in the collection of trade and other receivables falls within the recorded allowance for doubtful debts. We are of the opinion that adequate provision for uncollectible trade receivables has been made in the financial statements. In addition, the credit risk on bank deposits and bank balances is limited because a majority of the counterparties are state-owned banks with good reputations and credit ratings.

Foreign Exchange Risk

Foreign currency risk refers to the risk that movement in foreign currency exchange rates will affect our Group's financial results and cash flow.

Certain of our bank accounts, deposits, receivables and payables and some of operating expenses such as purchases of overseas machinery are denominated in Singapore dollars, U.S. dollars and Euros, which are different from the functional currency of our entities, which exposes us to foreign currency risk. However, most of our operating expenses, including our operating and administrative costs are denominated in Renminbi, and we collect most of our revenue in Renminbi. We expect to continue to incur a significant portion of our operating costs, and to recognise operating revenue, in Renminbi. As a result, we do not believe we are exposed to significant foreign currency risk, except for our financial assets denominated in Euros.

However, our Company's cash flow is derived from dividend income from our subsidiaries in Singapore dollars. Hence, our Company would be exposed to foreign exchange risks when we receive dividends from our PRC subsidiaries in Renminbi.

As we expand our operations, we may incur a certain portion of our cash flow in currencies other than Renminbi and, thereby, may increase our exposure to fluctuations on exchange rates. Our policy is not to take speculative positions through forward currency contracts and we have not engaged in any foreign currency hedging activities as at the date of this prospectus.

Please refer to the section headed "Risk Factors – Risks Relating to Doing Business in the PRC – PRC foreign exchange control may limit our ability to utilise our revenue effectively and affect our ability to receive dividends and other payments from our PRC subsidiaries" in this prospectus for further details.

Interest Rate Risk

Our interest rate risk relates primarily to our pledged bank deposits, bank deposits and bank borrowings. We place our cash balances with reputable banks and financial institutions. Our policy is to obtain the most favourable rates available. We currently have not entered into interest rate swaps to hedge against our exposure to changes in fair values of our borrowings.

In addition, to the extent that we may need to raise debt financing in the future, upward fluctuations in interest rates will increase the cost of new debts. Fluctuations in interest rates can also lead to significant fluctuations in the fair values of our debt obligations.

We currently do not use any derivative instruments to manage our interest rate. To the extent we decide to do so in the future, there can be no assurance that any future hedging activities will protect us from fluctuations in interest rates.

Liquidity Risk

Liquidity risk is the risk that we have net current liabilities at the end of each reporting period during the Track Record Period. We are exposed to liquidity risk if we are unable to raise sufficient funds to meet our financial obligations when they fall due.

To manage liquidity risk, we monitor and maintain a level of cash and cash equivalents considered adequate by our management to finance our operations and mitigate the effects of fluctuations in cash flow. In doing so, our management monitors the utilisation of borrowings to ensure adequate unutilised banking facilities and compliance with loan covenants.

DIVIDEND POLICY

We declared dividends of S$16.9 million, S$12.7 million and S$9.6 million for the three years ended 31 December 2007, 2008 and 2009, respectively. We also declared dividends of S$2.4 million for the three months ended 31 March 2010. All of these dividends have been paid. On 13 August 2010, we declared second interim 2010 dividends of S$0.0025 per Share which will be paid to shareholders on a record date to be announced. These dividend payments are not indicative of our future dividend policy. Our Directors may declare dividends after taking into account, among other things, our results of operations, cash flows and financial condition, operating and capital requirements, the amount of distributable profits based on IFRS, our Memorandum and Articles of Association, the Singapore Companies Act, applicable laws and regulations and other factors that our Directors deem relevant. Final dividends paid by us must be approved by an ordinary resolution of our Shareholders at a general meeting and must not exceed the amount recommended by our Directors. Our Directors may, without the approval of our Shareholders, also declare interim dividends.

Future dividend payments will also depend upon the availability of dividends received from our operating subsidiaries in the PRC. PRC laws require that dividends be paid only out of the net profit calculated according to PRC accounting principles, which differ in certain aspects from IFRS. PRC laws also require a wholly foreign owned enterprise to transfer at least 10% of its net profit (after tax and offsetting prior years' losses) to statutory reserve until the reserve balance reaches 50% of the registered capital under the Implementation Rules on the PRC Law on Wholly Foreign-Owned Enterprises. The transfer to its reserve must be made before distribution of dividends to its equity holders. Distributions from our PRC operating subsidiary may also be restricted if it incurs losses or in accordance with any, restrictive covenants in bank credit facilities, convertible bond instrument or other agreements that we or our PRC operating subsidiary may enter into in the future.

For information relating to taxes payable on dividends, please refer to the section entitled "Risk Factors – Risks Relating to Doing Business in the PRC – Dividends payable by us to our foreign investors and gain on sale of our Shares may become subject to withholding taxes under PRC tax laws", and "Risk Factors – Risks Relating to Doing Business in the PRC – Dividends payable by our subsidiaries or associate company to us may not qualify to enjoy the preferential tax treatment under the Singapore-China Tax Treaty" of this prospectus.

DISTRIBUTABLE RESERVES

As of 31 March 2010, our reserves available for distribution to our equity holders amounted to approximately S$89.4 million.

DISCLOSURE UNDER RULE 13.19(2) OF THE LISTING RULES

We are required to publish quarterly reports containing the unaudited financial statements on the SGX-ST in accordance with the Listing Manual. Our Directors confirm that, in order to comply with Rule 13.19(2) of the Listing Rules, we will publish the full text of our quarterly reports in Hong Kong at the same time when such reports are published in Singapore.

We have been advised by the Accounting and Corporate Regulatory Authority of Singapore ("ACRA") that we should apply to ACRA for approval to prepare our financial statements in accordance with the IFRS instead of the Singapore Financial Reporting Standards ("SFRS") subsequent to listing on the Stock Exchange. Moreover, the "International Standards on Auditing" will be used subsequent to listing on the Stock Exchange. Our Directors intend to do so after the Company's listing on the Stock Exchange. Should the approval be granted, the financial statements of the Company will be prepared in accordance with the IFRS.

In the event that the approval is not granted, we shall include a reconciliation of our financial statements in accordance with IFRS and the narrative descriptions of the major differences in a form that facilitate investors' understanding of our financial performance.

Currently, our Directors do not have any intention to change our existing auditors after the Company is listed on the Stock Exchange.

DISCLOSURE PURSUANT TO RULES 13.13 TO 13.19 OF THE LISTING RULES

Except as otherwise disclosed in this prospectus, we confirm that, as of the Latest Practicable Date, we were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to Rules 13.19 of the Listing Rules.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following is an illustrative statement of unaudited pro forma adjusted net tangible assets of our Group which has been prepared in accordance with paragraph 29 of Chapter 4 of the Listing Rules for the purpose of illustrating the effect of the Listing as if the Listing had taken place on 31 March 2010. The statement of unaudited pro forma adjusted net tangible assets has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of our consolidated net tangible assets as at 31 March 2010 or any date following the Global Offering. It is prepared based on the net tangible assets of our Group attributable to the equity holders of our Company as at 31 March 2010 as shown in the consolidated statements of financial position of our Group as at 31 March 2010 set out in section 2 of the Accountants' Report in Appendix I to this prospectus and adjusted as described below:

	Audited consolidated net tangible assets attributable to equity holders of our company as at 31 March 2010[(1)]	Estimated proceeds from issue of Offer Shares[(2)]	Unaudited pro forma adjusted net tangible assets	Unaudited pro forma adjusted net tangible assets per Share[(3)]	
	S$'000	*S$'000*	*S$'000*	*S$*	*HK$*
Based on the Offer Price of HK$6.10 per Share	327,737	218,073	545,810	0.46	2.67

(1) As at 31 March 2010, our audited consolidated net tangible assets attributable to equity holders of our company was equal to equity attributable to equity holders of our company less the intangible assets.

(2) The estimated net proceeds from the Global Offering are based on the hypothetical Offer Price of HK$6.10, per Offer Share assuming no exercise of the Over-allotment Option, after deduction of underwriting fees and estimated expenses payable by us in connection with the Global Offering and the translation of Hong Kong dollars to Singapore dollars with the exchange rate at S$1.00 to HK$5.81.

(3) The unaudited pro forma adjusted net tangible assets per Share is based on a total of 1,184,367,800 Shares expected to be in issue immediately following the completion of the Global Offering (assuming no exercise of the Over-allotment Option) and assumes the translation of Hong Kong dollars to Singapore dollars with the exchange rate at S$1.00 to HK$5.81.

(4) By comparing the valuation of our property interests as set out in Appendix III to this prospectus and the unaudited net book value of these properties of 31 July 2010, the valuation surplus was approximately S$30.6 million, which has not been included in the above net tangible assets. The valuation surplus of our property interests will not be incorporated in our future financial statements. If the valuation surplus were to be included in our future financial statements, an additional deprecation charge of approximately S$0.6 million per annum would be incurred.

(5) A final dividend of S$0.0025 per share amounting to S$2,411,000 was declared to the Shareholders in February 2010 which has not been taken into account in the above computation of unaudited pro forma adjusted net tangible assets. The unaudited pro forma adjusted net tangible assets per Share after payment of the final dividend would be S$0.46 (equivalent to approximately HK$2.67).

DIRECTORS' CONFIRMATION ON NO MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, our Directors confirm that there has been no material adverse change in the financial or trading positions or prospects of our Company since 31 March 2010, the date of the latest audited financial statements of our Company.

LISTINGS

Our Company currently has a primary listing of Shares on the SGX-ST, which it intends to maintain alongside its proposed secondary listing of Shares on the Stock Exchange. Application has been made to the Listing Committee for the listing of, and permission to deal in, the Shares (excluding treasury Shares).

REGISTRATION

The principal share register of members is maintained in Singapore by Intertrust Singapore Corporate Services Pte. Ltd., whose address is 3 Anson Road, #27-01, Springleaf Tower, Singapore 079909. Our Company has established a share register of members in Hong Kong which is maintained by Computershare Hong Kong Investor Services Limited whose address is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Certificates in respect of the Shares registered on the share register of members in Hong Kong will, as far as practicable, and unless otherwise requested, be issued in board lots of 1,000 Shares. The Singapore Principal Registrar will keep in Singapore duplicates of the share register of members in Hong Kong, which will be updated from time to time.

Certificates

Only certificates for Shares issued by the Hong Kong Share Registrar will be valid for delivery in respect of dealings effected on the Stock Exchange. Only certificates for Shares issued by the Singapore Principal Registrar will be valid for delivery in respect of dealings effected on the SGX-ST. For ease of identification, the certificates for Shares issued by the Singapore Principal Registrar will be orange in colour, and the certificates for Shares issued by the Hong Kong Share Registrar will be blue in colour.

DEALINGS

Dealings in Shares on the Stock Exchange and the SGX-ST will be conducted in Hong Kong dollars and Singapore dollars respectively. The Shares are traded on the SGX-ST and will be traded on the Stock Exchange in board lots of 1,000 Shares.

The transaction costs of dealings in the Shares on the Stock Exchange include a Stock Exchange trading fee of 0.005%, an SFC transaction levy of 0.003%*, a transfer deed stamp duty of HK$5.00 per transfer deed and ad valorem stamp duty on both the buyer and the seller charged at the rate of 0.1% each of the consideration or, if higher, the fair value of the Shares transferred. The brokerage commission in respect of trades of Shares on the Stock Exchange is freely negotiable.

A clearing fee in Singapore is payable at the rate of 0.004% of the transaction value, subject to a maximum of S$600 per transaction. Such clearing fee is subject to goods and services tax in Singapore (currently at 7.0%). The brokerage commission in respect of trades of Shares on the SGX-ST is freely negotiable.

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* The SFC transaction levy will be changed from 0.004% to 0.003% on 1 October 2010.

SETTLEMENT

Settlement of Dealings in Hong Kong

Investors in Hong Kong must settle their trades executed on the Stock Exchange through their brokers directly or through custodians. For an investor in Hong Kong who has deposited his Shares in his stock account or in his designated CCASS Participant's stock account maintained with CCASS, settlement will be effected in CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. For an investor who holds the physical certificates, settlement certificates and the duly executed transfer forms must be delivered to his broker by the settlement date.

An investor may arrange with his broker on a settlement date in respect of his trades executed on the Stock Exchange. Under the Listing Rules and the General Rules of CCASS and CCASS Operational Procedures, the date of settlement must not be later than the second day following the trade date on which the settlement services of CCASS are open for use by CCASS participants (T+2). For trades settled under CCASS, the General Rules of CCASS and CCASS Operational Procedures provide that the defaulting broker may be compelled to compulsorily buy-in by HKSCC the day after the date of settlement (T+3), or if it is not practicable to do so on T+3, at any time thereafter. HKSCC may also impose fines from T+2 onwards.

The CCASS stock settlement fee payable by each counterparty to a Stock Exchange trade is currently 0.002% of the gross transaction value subject to a minimum fee of HK$2 and a maximum fee of HK$100 per trade.

Settlement of Dealings in Singapore

Shares listed on the SGX-ST are traded under the book-entry settlement system of CDP and all dealings in and transactions of Shares through the SGX-ST are effected in accordance with the terms and conditions for the operation of securities accounts with CDP, as amended from time to time.

CDP, a wholly-owned subsidiary of the SGX-ST, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account holders and facilitates the clearance and settlement of securities transactions between account holders through electronic book-entry changes in the securities accounts maintained by such account holders with CDP.

Shares will be registered in the name of CDP or its nominees and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, securities accounts with CDP.

Persons holding Shares in a securities account with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will not, however, be valid for delivery pursuant to transactions on the SGX-ST, although they will be prima facie evidence of title and may be transferred in accordance with the Memorandum of Association and Articles of Association of our Company. A fee of S$10.70 (including GST) for each withdrawal of 1,000 Shares or less and a fee of S$26.75 (including GST) for each withdrawal of more than 1,000 Shares will be payable upon withdrawing our Shares from the book-entry settlement system and obtaining physical Share certificates. In addition, a fee of S$2 (or such other amounts as the Directors may decide) will be payable to the Singapore Principal

Registrar for each Share certificate issued, and stamp duty of S$10 is also payable where Shares are withdrawn in the name of the person withdrawing Shares, or S$0.20 per S$100 or part thereof of the last-transacted price where Shares are withdrawn in the name of a third party. Persons holding physical Share certificates who wish to trade on the SGX-ST must deposit with CDP their Share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective securities accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S$20 is payable upon the deposit of each instrument of transfer with CDP. All fees are subject to goods and services tax in Singapore (currently at 7.0%).

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

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

Foreign Exchange Risk

Please see the section headed "Risk Factors" in this prospectus for a discussion on foreign exchange risks.

Transfer of Shares

All duties, fees and expenses specified herein are subject to changes from time to time.

Removal of Shares

Assuming (i) there is no reallocation between the International Placing and the Hong Kong Public Offering as described in the section headed "Structure of the Global Offering – Reallocation", (ii) there is no transfer of shares from the Singapore Share Register to Hong Kong Share Register, (iii) there is no stock borrowing conducted in connection with the Global Offering, and (iv) that the Over-allotment Option has not been exercised, approximately 18.6% of Shares will be held on the Hong Kong share register of members and approximately 81.4% of Shares will be held on the Singapore principal share register of members immediately following completion of the Global Offering.

Currently, all the Shares are registered on the Singapore principal share register of members. For the purpose of trading on the Stock Exchange, the Shares must be registered on the Hong Kong share register of members. Shares may be transferred between the Singapore principal share register of members and the Hong Kong share register of members. An investor who wishes to trade on the SGX-ST must have his Shares registered on the Singapore principal share register of members in the name of CDP or its nominees and an investor who wishes to trade on the Stock Exchange must have his Shares registered on the Hong Kong share register of members by removing them from the Singapore principal share register of members to the Hong Kong share register of members. A resolution has been passed by the Directors authorising the removal of Shares between the Singapore principal share register of members and the Hong Kong share register of members as may from time to time be requested by the members of our Company.

From Singapore Principal Share Register to Hong Kong Share Register

If an investor whose Shares are traded on the SGX-ST wishes to trade his Shares on the Stock Exchange, he must effect a removal of Shares from the Singapore principal share register of members to the Hong Kong share register of members.

A removal of the Shares from the Singapore principal share register of members to the Hong Kong share register of members may incur fees such as removal fees, re-registration fees, and share certificate issuance fees, and involves the following procedures:

1. If the investor's Shares have been deposited with CDP, the investor must first withdraw his Shares from CDP by completing a Withdrawal of Securities Form (CDP Form 3) available from CDP and submitting the same to CDP together with a bank draft for the amount as prescribed by CDP from time to time.

2. The investor shall complete a removal request form obtained from the Singapore Principal Registrar and submit the removal request form together with a bank draft for the amount as prescribed by the Singapore Principal Registrar from time to time to the Singapore Principal Registrar.

3. CDP will then send a duly completed transfer form together with the relevant share certificate(s) registered under the name of CDP to the Singapore Principal Registrar directly.

4. Upon receipt of the documents referred to above and the relevant payment, the Singapore Principal Registrar shall take all actions necessary to effect the transfer and removal of Shares on the Singapore principal share register of members. On completion, the Singapore Principal Registrar shall then notify the Hong Kong Share Registrar of the removal whereupon the Hong Kong Share Registrar shall update the Hong Kong share register of members and issue share certificate(s) in the name of the investor and make such share certificate(s) available for collection, or, if requested by the investor, send such share certificate(s) to the address specified by the investor. Despatch of share certificate(s) will be made at the risk and expense of the investor as specified in the removal request form.

5. If the investor's Shares upon being registered in Hong Kong are to be deposited with CCASS, the investor must deposit the Shares into CCASS for credit to his CCASS investor participant stock account or his designated CCASS Participant's stock account. For deposit of Shares to CCASS or to effect sale of Shares in Hong Kong, the investor should execute a transfer form which is in use in Hong Kong and which can be obtained from the offices of the Hong Kong Share Registrar and deliver it together with his share certificate(s) issued by the Hong Kong Share Registrar to HKSCC directly if he intends to deposit the Shares into CCASS for credit to his CCASS investor participant stock account or via a CCASS Participant if he wants the Shares to be credited to his designated CCASS Participant's stock account.

Note: Under normal circumstances, steps (1) to (4) generally require 15 Business Days to complete.

From Hong Kong Share Register to Singapore Principal Share Register

If an investor whose Shares are traded on the Stock Exchange wishes to trade his Shares on the SGX-ST, he must effect a removal of the Shares from the Hong Kong share register of members to the Singapore principal share register of members. Such removal and deposit of the Shares may incur fees such as removal fees, re-registration fees, and share certificate issuance fees, and would involve the following procedures:

1. If the investor's Shares are registered in the investor's own name, the investor shall complete the Combined Share Removal and Transfer Form and Delivery Instruction Form (the "Removal Request Form") available from the Hong Kong Share Registrar and submit the same together with the share certificate(s) in his name and a bank draft for the amount as prescribed by the Hong Kong Share Registrar from time to time to the Hong Kong Share Registrar. If the investor's Shares have been deposited with CCASS, the investor must first withdraw such Shares from his CCASS investor participant stock account with CCASS or from the stock account of his designated CCASS Participant and submit the relevant share transfer form(s) executed by HKSCC Nominees Limited as transferor and executed by the investor as transferee, the relevant share certificate(s) and a duly completed Removal Request Form to the Hong Kong Share Registrar.

2. Upon receipt of the Removal Request Form, the relevant share certificate(s) and where appropriate, the completed share transfer form(s) executed by HKSCC Nominees Limited and the investor, the Hong Kong Share Registrar shall take all actions necessary to effect the transfer and the removal of the Shares from the Hong Kong share register of members to the Singapore principal share register of members.

3. The Hong Kong Share Registrar shall then notify the Singapore Principal Registrar of the removal whereupon the Singapore Principal Registrar shall update the Singapore principal share register of members. Upon completion, the Singapore Principal Registrar shall issue the relevant share certificate(s) in the name of the investor for onward transmission to the investor.

4. If the investor would like Singapore Principal Registrar to assist in depositing the share certificate(s) into CDP, he should submit a duly completed transfer form and a bank draft for the amount as prescribed by CDP from time to time to Singapore Principal Registrar at the same time he submits the relevant documents to the Hong Kong Share Registrar (as contemplated in paragraph (1) above). The Hong Kong Share Registrar shall notify the Singapore Principal Registrar of the removal of the Shares from the Hong Kong register of members. The Singapore Principal Registrar shall then register the specified number of Shares in the investor's name on the Singapore principal share register of members, following which, the Singapore Principal Registrar shall liaise with CDP on the deposit of shares into CDP and re-register the specified number of Shares in CDP's name on the Singapore principal share register of members. Upon receipt of the relevant documents and payment of deposit fee from Singapore Principal Registrar in good order, CDP shall credit the specified number of Shares into the investor's securities account with CDP. The investor must ensure that he has a securities account in his own name or sub-account with a CDP depository agent before he can complete and sign off on delivery instruction set out in the Removal Request Form.

Note: Under normal circumstances, steps (1) to (3) generally require 15 Business Days to complete.

For those Shares which are registered on the Hong Kong share register of members, any transfer thereof or dealings therein will be subject to Hong Kong stamp duty. For those Shares which are registered on the Singapore principal share register of members, any transfer thereof or dealings therein will be subject to Singapore stamp duty.

All costs attributable to the removal of Shares from the Hong Kong share register of members to the Singapore principal share register of members and any removal from the Singapore principal share register of members to the Hong Kong share register of members shall be borne by the Shareholder requesting the removal. In particular, Shareholders should note that the Hong Kong Share Registrar will charge a re-registration (if applicable) and removal handling fee according to the turnaround time requested by Shareholders. The fees charged by the Singapore Principal Registrar are subject to Singapore goods and services tax (currently at 7%).

FUTURE PLANS

According to CBI China, the development of China's passenger rail transport industry has been driven by the PRC government's Medium to Long Term Plan for Railway Network Development (the "Plan"). Under the revised Plan, China targets to have a total of 110,000 km of rail lines operating in 2012 and above 120,000 km of rail lines operating in 2020. Also, under the revised Plan, the total operating high speed rail mileage is estimated to increase in 2010, 2011 and 2012. CBI China estimates a corresponding increase in the output of high speed trains in the same period. For metro rail, according to the World Metro Rail Summit held in Shanghai in May 2010, a cumulative metro line operating mileage of 3,000 km in a total of 40 cities is expected to be installed in China by 2015, making China the largest urban metro transportation market. For more information on the future outlook of the high speed rail industry and metro rail industry in the PRC, please refer to the section headed "Industry Overview – Development of the PRC Passenger Rail Transport Industry – The PRC Passenger Rail Transport Industry" in this prospectus.

The current policies of the PRC government will, according to CBI China, result in the growth of both the production and delivery of high-speed and metro trains in the near future, which should increase the demand of aluminium extrusion products for rail transportation equipment to an estimated high of 46.3 kilo tonnes and 20.4 kilo tonnes for high-speed train and metro trains respectively in 2012. For more information, please see the section headed "Industry Overview – Aluminium Alloy Extrusion Market in the PRC Passenger Rail Transport Industry – Outlook for Demand of Aluminium Extrusion Products in the PRC Passenger Rail Transport Industry between 2010 and 2012" in this prospectus.

The Directors believe that, with the development of China's passenger rail transport industry, together with the growth in production and delivery of high-speed and metro trains in the near future, there will be continuous corresponding growth in demand for the Company's aluminium alloy extrusion products which are primarily supplied to the passenger rail transportation industry in the PRC. This is evidenced by the aggregate outstanding unrealised contract value of contracts entered into by our Company with train manufacturers, which is worth approximately RMB1.5 billion as at 30 June 2010. To meet the demand from our current customers, as well as to handle potential additional orders in the future with our current and new customers, we have acquired additional extrusion and fabrication production lines to increase our production capacities. Please refer to the section headed "Business – Our Customers and our Contracts – Railway Contracts Entered into Since 2009" in this prospectus for details of our order book with train manufacturers and expanded aluminium alloy extrusion production and downstream fabrication production capacities. Our Directors are of the view that, based on our current business strategy and the trend and prospect of the PRC passenger rail transportation industry as estimated by CBI China, our upcoming production facilities will provide us the capacity sufficient to meet production and market demands for the next two years. Depending on the then production and market demands, we will consider further expanding our production capacity to meet any increasing production requirements in the future and other business opportunities. Barring any extraordinary changes in government policies or economic circumstances, the Directors believe that, for the next five years, we will experience continued strong demand for our aluminium alloy extrusion products, which will translate into stable business growth and increased revenues.

For a more detailed description of our future plans and business strategies, please see the section headed "Business – Strategies" in this prospectus.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$1,266.9 million, after deducting the underwriting fees and expenses payable by us in the Global Offering, and assuming the Over-allotment Option is not exercised and an Offer Price of HK$6.10, being the maximum Offer Price stated in this prospectus. We intend to use these net proceeds for the following purposes:

- approximately 65% of the net proceeds from the Global Offering will be applied towards capital expenditure and potential acquisitions, of which, approximately 45% is intended to be allocated to the capital expenditure on plant and machinery to expand our Company's production capability of the aluminium alloy business, and approximately 20% on potential acquisitions in the aluminium alloy related industries. For the 45% allocated to capital expenditure, we intend to apply approximately 35% to expand our production capability by adding new extrusion production lines either through establishing new production centers outside our current production base in Jilin province or at our existing production base. As to the remaining approximately 10%, we intend to expand our fabrication capability to further realise our intent to develop our Company into an integrated rail transport components supplier of value-added, assembly-ready aluminium extrusion products(1). Our production capacity expansion plan is expected to cater to the increasing market demand for aluminium alloy extrusion products in the PRC passenger rail industry which, according to CBI China, is projected to increase by 123.4%, 26.3% and 26.0% in 2010, 2011 and 2012, respectively. We believe that such demand will continue to rise in the next several years as the PRC government initiatives and policies for the PRC passenger rail transportation industry are expected to remain generally favorable. For the approximately 20% allocated to potential acquisitions, although we have no identifiable acquisition targets as at the Latest Practicable Date, we intend to seek opportunities in diversifying our portfolio or increase our market presence in desirable markets by establishing joint venture companies or acquiring suitable companies which are also engaged in the aluminium alloy related sectors;

- approximately 20% of net proceeds from the Global Offering will be applied towards repayment of bank loans; and

(1) The Directors estimate that the 45% of the use of proceeds from the Global Offering allocated to capital expenditure, (of which 35% is allocated to expansion of aluminium alloy extrusion production and 10% is allocated to downstream fabrication production), would be applied in the increase of our aluminium alloy extrusion production capacity by approximately 20,000 tonnes and downstream fabrication line production capacity by approximately 300 train cars. This estimation is based on the assumption of the addition of two additional extrusion production lines and one fabrication production line. Please note that our aluminium alloy extrusion production capacity stated is based on the optimal level of production of each production line (as recommended by the respective manufacturers) when used to produce large aluminium alloy extrusion profiles for train car bodies. For more details on our extrusion production capacity, see the section headed "Business – Our Business Divisions – Aluminium Alloy Division – Production Facilities – Extrusion Production Line" in this prospectus. Our downstream fabrication line production capacity as stated is the current annual production capacity which is dependent on certain assumptions and factors, such as the specifications of machines being used in the production process. For more details on our fabrication production capacity, see the section headed "Business – Our Business Divisions – Aluminium Alloy Division – Production Facilities – Fabrication Production Line" in this prospectus.

- approximately 15% of net proceeds from the Global Offering will be applied towards corporate and general working capital purposes mainly to meet the operating cashflow requirements arising from our expanded production lines which will be operational by the end of 2010. We have recently expanded our extrusion and fabrication production capacity by adding three extrusion production lines and two downstream fabrication lines. As at 31 March 2010, the capital commitment for these additional production lines was approximately S$50 million, which will be funded by a combination of the proceeds of the share placement of 120,000,000 Shares that the Company completed in July 2009, internal cash resources, existing bank facilities and, where necessary, additional bank borrowings. In particular, one of the three recently acquired extrusion production lines has commenced operations in April 2010 and one other has commenced trial production in June 2010; and on the other hand, one of the two fabrication production lines has commenced operations in April 2010. As a result of such recently expanded production capacity, our Company will be in great need of corporate and general working capital. With the remaining of the recently acquired production lines all expected to be ready to commence operations by end of 2010, additional net proceeds are needed to apply towards corporate and general working capital mainly to meet the operating cashflow requirements arising from such expanded production capacity.

To the extent that the net proceeds are less than expected due to the fixing of the Offer Price at lower than the maximum, we will adjust our allocation of the net proceeds for the uses described above on a pro rata basis.

In the event that the Over-allotment Option is exercised in full, we estimate we would receive additional net proceeds of approximately HK194.6 million, assuming an Offer Price of HK$6.10, being the maximum Offer Price stated in this prospectus. We intend to use the additional net proceeds for corporate and general working capital purposes.

To the extent our net proceeds are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations and bank financing. In either case, prior to the actual use of the proceeds, we intend that such proceeds will be placed in short-term demand deposits and/or money market instruments.

HONG KONG UNDERWRITERS

The Hong Kong Public Offer shall be fully underwritten by the Hong Kong Underwriters, subject to the Offer Price being agreed upon between the Company and the Joint Bookrunners (on behalf of the Underwriters). The Hong Kong Underwriters are Credit Suisse, J.P. Morgan Asia Pacific and CCBI.

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offer

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Public Offer, our Company is offering the Hong Kong Offer Shares for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus and the Application Forms. Subject to the Listing Committee granting listing of, and permission to deal in, the Shares to be offered as mentioned herein and to certain other conditions set out in the Hong Kong Underwriting Agreement (including but not limited to the Offer Price being agreed upon between us and the Joint Bookrunners (on behalf of the Underwriters)), the Hong Kong Underwriters have agreed severally to subscribe or procure subscribers for, their respective applicable proportions of the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offer on the terms and subject to the conditions of this prospectus, the Application Forms and the Hong Kong Underwriting Agreement. If for any reason the Offer Price is not agreed between us and the Joint Bookrunners (on behalf of the Underwriters), the Global Offering will not proceed.

The Hong Kong Underwriting Agreement is conditional upon and subject to the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated.

Grounds for Termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination, if, at any time prior to 8:00 a.m. on the Listing Date:

(i) there develops, occurs, exists or comes into force:

(A) any event or series of events resulting in or representing a change or development, or prospective change or development, in local, national, regional or international financial, political, military, industrial, economic, fiscal or market conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States) in or affecting Hong Kong, the PRC, the United States, the European Union (or any member thereof), Japan, Singapore or Canada (collectively the "**Relevant Jurisdictions**");

(B) any new law or regulation or any change or development involving a prospective change in existing law or regulation, or any change in the interpretation or application thereof by any court or other competent authority in or affecting any of the Relevant Jurisdictions adversely affecting any member of the Group or the Global Offering;

(C) the suspension of trading in the Shares on the SGX-ST, save for any temporary suspension(s) of trading of the Shares as a result of the Global Offering, or any indication being received from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the SGX-ST is or is likely to be withdrawn;

(D) any event or series of events in the nature of force majeure (including, without limitation, acts of government, strikes, lock-outs, fire, explosion, flooding, civil commotion, acts of war, acts of terrorism (whether or not responsibility has been claimed), acts of God) in or affecting any of the Relevant Jurisdictions;

(E) without limiting the foregoing, any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in or affecting any of the Relevant Jurisdiction;

(F) the imposition or declaration of (a) any suspension or limitation on trading in shares or securities generally on the Stock Exchange, the SGX-ST, the New York Stock Exchange, the Nasdaq National Market or the London Stock Exchange, or (b) any general moratorium on banking activities or a disruption in banking activities or foreign exchange trading or securities settlement or clearance services in or affecting any of the Relevant Jurisdiction;

(G) any change or prospective change in taxation or exchange controls, currency exchange rates or foreign investment regulations adversely affecting an investment in the Shares;

(H) any litigation or claim being threatened or instigated against any member of the Group or any of the Directors;

(I) any change or development involving a prospective change, or a materialisation of, any of the risks set out under "Risk Factors" in the Prospectus;

(J) a petition is presented for the winding-up or liquidation of any member of the Group or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group;

(K) a demand or threat to demand is issued to any member of the Group by any person to whom any indebtedness of any member of the Group is owed which is repayable on demand for repayment of the same;

(L) any charges or convictions against any Directors in relation to indictable offences;

(M) the commencement by any regulatory body or organisation of any public action against any member of the Group or a Director; or

(N) other than with the approval of the Joint Bookrunners, the issue or requirement to issue by the Company of a supplement or amendment to the Prospectus or the Offering Circular relating to the International Placing (or an other documents used in connection with the contemplated offering of the Offer Shares) pursuant to the Hong Kong Companies Ordinance, the Listing Rules, the Listing Manual or any other applicable Laws;

and which, in any such case in the sole and absolute opinion of the Joint Bookrunners (for themselves and on behalf of the Hong Kong Underwriters):

(a) is or will be or may be materially adverse to, or materially and prejudicially affect, the business or financial or trading position or prospects of the Group as a whole;

(b) has or will have or may have a material adverse effect on the success of the Global Offering;

(c) makes or will or may make it impracticable, inadvisable or inexpedient for any material part of this Agreement, the Hong Kong Public Offer or the Global Offering to be performed or implemented as envisaged; or

(d) makes or will or may make it impracticable, inadvisable or inexpedient to proceed with the Hong Kong Public Offer and/or the Global Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by the prospectus,

(ii) it or there shall have come to the notice of the Joint Bookrunners after the date of the Hong Kong Underwriting Agreement:

(A) that any statement contained in the prospectus, the Application Forms, the Formal Notice and any announcements in the agreed form issued by the Company in connection with the Hong Kong Public Offer (including any supplement or amendment thereto) was or has become untrue, incorrect or misleading in any material respect;

(B) any matter has arisen or has been discovered which would, had it arisen immediately before the date of the prospectus, not having been disclosed in the prospectus, constitute a material omission therefrom;

(C) any of the warranties given by the Company, Mr. Chen Wei Ping or Mr. Chew Hwa Kwang, Patrick in the Hong Kong Underwriting Agreement is (or would when repeated be) untrue or breached and such untruth or breach have or will have or may have a material adverse effect on the success of the Global Offering;

(D) any event, act or omission which gives or is likely to give rise to any liability of any of the Company, Mr. Chen Wei Ping or Mr. Chew Hwa Kwang, Patrick pursuant to the indemnities given by it/him under the Hong Kong Underwriting Agreement;

(E) any breach of any of the obligations of any party (other than the Joint Lead Managers or the Hong Kong Underwriters) to the Hong Kong Underwriting Agreement or any other of the Price Determination Agreement, the Receving Bankers Agreement or the Share Registrar Agreement;

(F) there shall have been any material adverse change or prospective material adverse change in the business or the financial or trading position or prospects of the Group as a whole; or

(G) that approval by the Listing Committee and the SGX-ST of a listing of, and permission to deal in, all the Shares in issue and the Shares to be offered under the Global Offering (including the additional Shares which may be issued pursuant to the exercise of the Over-allotment Option), and any Shares which may be issued upon the exercise of options which may be granted pursuant to the Share Option Scheme, on the Stock Exchange and the SGX-ST respectively, have not been obtained by 8:00 a.m. on the Listing Date or have been withdrawn.

then the Joint Bookrunners of the Hong Kong Public Offer may, in their sole discretion and upon giving notice to our Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings

We have undertaken to the Joint Lead Managers and the Hong Kong Underwriters that except pursuant to the Global Offering (including pursuant to the Over-Allotment Option) or the ESOS, we will not, without the prior written consent of the Joint Bookrunners of the Hong Kong Public Offer and unless in compliance with the requirements of the Listing Rules and the Listing Manual, at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling six months from the Listing Date **("Six Month Period")**:

(a) offer, accept subscription for, pledge, charge, allot, issue, sell, lend, mortgage, assign, contract to allot, issue or sell, sell any option or contract to purchase, purchase any option or contract to sell, hedge, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, or repurchase any of its share capital or other securities of the Company or any interest therein (including but not limited to any securities convertible into or exercisable or exchangeable for or that represent the right to receive such share capital);

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such share capital or securities or any interest therein; or

(c) deposit any part of the Company's share capital with a depositary in connection with the issue of depositary receipts, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise,

or offer or agree or announce any intention to do any of the foregoing, and the Company further agrees that, in the event of it entering into or agreeing to enter into any of the foregoing transactions above in respect of any of the share capital of the Company or any interest therein within the Six-Month Period, it will take all reasonable steps to ensure that it will not create a disorderly or false market for the Shares.

Lock-up

Pursuant to the Hong Kong Underwriting Agreement, each of Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick has severally undertaken to the Hong Kong Underwriters that except pursuant to the stock borrowing agreement between Mr. Chew Hwa Kwang, Patrick and Credit Suisse as disclosed in the section headed "Structure of the Global Offering – Stock Borrowing", he will not and will procure that none of his associates or companies controlled by it or any nominee or trustee holding in trust for him will, at any time during the Six-Month Period, without the prior written consent of the Joint Bookrunners of the Hong Kong Public Offer and unless in compliance with the Listing Rules and the Listing Manual:

(a) offer, pledge, charge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, any of the share capital, or other securities of the Company or any interest therein held by it (including, but not limited to any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, any such share capital or other securities of the Company or any interest therein); or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such share capital or securities or any interest therein, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise;

or offer or agree or announce any intention to do any of the foregoing, and each of Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick further severally agreed that, in the event of him entering into or agreeing to enter into any of the foregoing transactions above in respect of any of the share capital of the Company or any interest therein within the Six-Month Period, he will take all reasonable steps to ensure that he will not create a disorderly or false market for the Shares of the Company. Notwithstanding the above, pursuant to the Hong Kong Underwriting Agreement, Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick, may use such Shares held by them respectively as security in favour of a lender provided that such security may not be enforced during the Six-Month Period.

Sponsor's Interests in our Company

As at the Latest Practicable Date, Credit Suisse is interested in 4,074,029 Shares, representing approximately 0.42% of the existing issued share capital of the Company prior to the Global Offering (excluding treasury Shares). Save as disclosed above, as at the Latest Practicable Date, the Sole Sponsor is not interested legally or beneficially in any Shares of any of our members or has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in any of our members and has no other interest in the Global Offering.

International Placing

In connection with the International Placing, it is expected that we will enter into the International Underwriting Agreement with the Joint Lead Managers for themselves and on behalf of the International Underwriters. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions set out therein, severally agree to purchase the International Placing Shares being offered pursuant to the International Placing or procure purchasers for such International Placing Shares.

It is expected our Company will grant to the International Underwriters the Over-allotment Option, exercisable in whole or in part at one or more times by the Sole Global Coordinator for itself and on behalf of the International Underwriters within (i) 30 days from the last day for the lodging of applications under the Hong Kong Public Offers; or (ii) the period ending on the date when the stabilisation agent has purchased an aggregate of 33,000,000 Shares (whichever is the shorter period) to undertake stabilisation action, to require our Company to issue up to an aggregate of 33,000,000 additional Shares, representing approximately 15.0% of the initial Offer Shares, at the Offer Price, among other things, to cover over-allocations in the International Placing, if any.

Commission and Expenses

Under the terms and conditions of the Hong Kong Underwriting Agreement, the Hong Kong Underwriters will receive a gross underwriting commission of 2.85% of the aggregate Offer Price payable for the Hong Kong Offer Shares initially being offered under the Hong Kong Public Offer, out of which it will pay any sub-underwriting commissions. For the unsubscribed Hong Kong Offer Shares reallocated to the International Placing, if any, the International Underwriters will be paid an underwriting commission at the rate applicable to the International Placing and such commission will be paid to the International Underwriters and not the Hong Kong Underwriters. Furthermore, our Company may also pay the Sole Global Coordinator a discretionary incentive fee of up to 0.5% in the aggregate of the proceeds derived from the Offer Shares offered by our Company under the Global Offering.

Assuming the Over-allotment Option is not exercised at all and based on an Offer Price of HK$6.10, being the maximum Offer Price, the Underwriters' fees and commissions and incentive fees (if any) in connection with the Global Offering, together with the Stock Exchange listing fees, the Stock Exchange transaction levy, legal and other professional fees, printing, and other expenses relating to the Global Offering, are estimated to amount to approximately HK$75.1 million in aggregate. Such commissions, fees and expenses are payable by us.

We have agreed to indemnify the Hong Kong Underwriters and International Underwriters for certain losses which they may suffer, including losses incurred arising from their performance of their obligations under the Hong Kong Underwriting Agreement or International Underwriting Agreement (as relevant) and any breach by us of the Hong Kong Underwriting Agreement or International Underwriting Agreement (as relevant).

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offer as part of the Global Offering. We intend to initially make available up to 220,000,000 Shares under the Global Offering, of which 198,000,000 Shares, will be conditionally placed pursuant to the International Placing outside the United States (including such offering to professional, institutional and other investors within Hong Kong) in reliance on Regulation S and in the United States to QIBs in reliance of Rule 144A or other applicable exemptions from the registration requirements under the US Securities Act and the remaining 22,000,000 Shares will be offered to the public in Hong Kong at the Offer Price under the Hong Kong Public Offer (subject, in each case, to reallocation on the basis described in "– The Hong Kong Public Offer").

The 220,000,000 Offer Shares initially being offered in the Global Offering will represent approximately 18.58% of our enlarged registered share capital immediately after completion of the Global Offering, assuming that the Over-allotment Option is not exercised. Credit Suisse is the Sole Global Coordinator and Sole Sponsor of the Global Offering. Credit Suisse and J.P. Morgan are the Joint Bookrunners of the International Placing and Credit Suisse and J.P. Morgan Asia Pacific are the Joint Bookrunners of the Hong Kong Public Offer. Credit Suisse, J.P. Morgan and CCBI are the Joint Lead Managers of the International Placing and Credit Suisse, J.P. Morgan Asia Pacific and CCBI are the Joint Lead Managers of the Hong Kong Public Offer. The underwriting arrangements, and the respective Underwriting Agreements, are summarised in "Underwriting".

Investors may apply for the Shares under the Hong Kong Public Offer or apply for or indicate an interest for the Shares under the International Placing, but may not apply under both of these methods for the Offer Shares. In other words, you may only receive Offer Shares under either the Hong Kong Public Offer or the International Placing, but not under both of these methods.

THE HONG KONG PUBLIC OFFERING

The Hong Kong Public Offer is fully underwritten by the Hong Kong Underwriters on a several basis under the terms of the Hong Kong Underwriting Agreement made on 20 September 2010 and is subject to, amongst other things, our Company and the Joint Bookrunners, on behalf of the Underwriters, agreeing on the Offer Price. The Hong Kong Public Offer and the International Placing are subject to the conditions set forth in "– Conditions of the Global Offering". The Hong Kong Underwriting Agreement and the International Underwriting Agreement are expected to be conditional upon each other.

Number of Shares Initially Offered

The Hong Kong Pubic Offer is a fully underwritten public offer (subject to agreement as to pricing and satisfaction or waiver of the other conditions set forth in the Hong Kong Underwriting Agreement and described in "– Conditions of the Global Offering") for the subscription in Hong Kong of, initially 22,000,000 Shares at the Offer Price (representing approximately 10% of the total number of the Offer Shares).

The Hong Kong Public Offer is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Allocation

Allocation of Shares to investors under the Hong Kong Public Offer will be based solely on the level of valid applications received under the Hong Kong Public Offer. The basis of allocation may vary, depending on the number of Public Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares.

Subject to any adjustment in the number of Offer Shares allocated between the International Placing and the Hong Kong Public Offer, the total number of Shares available under the Hong Kong Public Offer will represent approximately 18.58% of our Company's enlarged issued share capital immediately after completion of the Global Offering assuming that the Over-allotment Option is not exercised. It is to be divided into two pools for allocation purposes (subject to any adjustment in the number of Offer Shares allocated between the International Placing and the Hong Kong Public Offer): 11,000,000 Shares for pool A and 11,000,000 Shares for pool B. The Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK$5 million or less (excluding the brokerage fee, SFC transaction levy and Stock Exchange trading fee payable). The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for our Shares with an aggregate subscription price of more than HK$5 million (excluding the brokerage fee, SFC transaction levy and Stock Exchange trading fee payable) and up to the value of pool B. Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If Hong Kong Offer Shares in one (but not both) of the pools are undersubscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in this other pool and be allocated accordingly. For the purpose of this paragraph only, the "price" for Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications within pool A or pool B, and between the two pools, and any applicants for more than 11,000,000 Hong Kong Offer Shares will be rejected.

Reallocation

The allocation of the Shares between the Hong Kong Public Offer and the International Placing is subject to adjustment. If the number of Shares validly applied for under the Hong Kong Public Offer represents (i) 15 times or more but less than 50 times, (ii) 50 times or more but less than 100 times, or (iii) 100 times or more of the number of Shares initially available under the Hong Kong Public Offer then Shares will be reallocated to the Hong Kong Public Offer from the International Placing, such that the total number of Shares available under the Hong Kong Public Offer will be increased to 66,000,000 Shares (in the case of (i)), 88,000,000 Shares (in the case of (ii)) and 110,000,000 Shares (in the case of (iii)) representing approximately 30%, 40% and 50% of the Shares initially available under the Global Offering, respectively (before any exercise of the Over-allotment Option). In each case, the additional Shares reallocated to the Hong Kong Public Offer will be allocated equally between pool A and pool B (with any odd board lots being allocated to pool A) and the number of Shares allocated to the International Placing will be correspondingly reduced in such manner as the Joint Bookrunners deem appropriate. In addition, the Joint Bookrunners may, in its sole discretion, allocate Shares from the International Placing to the Hong Kong Public Offer to satisfy valid applications under the Hong Kong Public Offer.

If the Hong Kong Public Offer is not fully subscribed for, the Joint Bookrunners has the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Placing, in such proportions as the Joint Bookrunners deems appropriate.

Applications

Each applicant under the Hong Kong Public Offer will also be required to give an undertaking and confirmation in the application submitted by him or her that he or she and any person(s) for whose benefit he or she is making the application have not applied for or taken up, indicated an interest for, and will not apply for or take up, or indicate an interest for, any Shares under the International Placing, and such applicant's application may be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or he or she has been or will be placed or allocated Shares under the International Placing. The Application Forms have tables showing the exact amount payable for certain numbers of Shares up to 11,000,000 Hong Kong Offer Shares.

The listing of the Shares on the Stock Exchange is sponsored by the Sole Sponsor. Applicants under the Hong Kong Public Offer are required to pay, on application, the maximum Offer Price of HK$6.10 in addition to any brokerage fee, SFC transaction levy and Stock Exchange trading fee payable on each Share. If the Offer Price, as finally determined in the manner described in "– Pricing of the Global Offering", is less than the maximum Offer Price of HK$6.10, appropriate refund payments (including the brokerage fee, SFC transaction levy and Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. See the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

References in this prospectus to applications, Application Forms, application or subscription monies or the procedure for application relate solely to the Hong Kong Public Offer.

THE INTERNATIONAL PLACING

The International Placing is expected to be fully underwritten by the International Underwriters on a several basis (subject to agreement as to pricing and satisfaction or waiver of the other conditions set forth in the International Underwriting Agreement). Our Company expects to enter into the International Underwriting Agreement relating to the International Placing on the Price Determination Date.

Number of Shares Offered

Subject to reallocation as described above, the International Placing will consist of an initial offering of 198,000,000 Offer Shares, representing approximately 90% of the Offer Shares under the Global Offering and approximately 16.72% of our Company's enlarged issued share capital (excluding treasury Shares) immediately after completion of the Global Offering assuming the Over-allotment Option and all outstanding Options are not exercised.

Allocation

The International Placing will involve selective marketing of the Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Shares in Hong Kong, Europe and other jurisdictions outside the United States (other than the PRC) in offshore transactions in reliance on Regulation S and to QIBs in the United States, in reliance on Rule 144A or other applicable exemptions from the registration requirements under the US Securities Act. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Allocation of International Placing Shares will be determined by the Joint Bookrunners of the International Placing and will be effected in accordance with the "book-building" process described in "– Pricing of the Global Offering" and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Shares, and/or hold or sell its Shares, after the listing of the Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to our Company's benefit and that of the Shareholders as a whole.

Our Directors, the Joint Bookrunners (on behalf of the Underwriters) and our Company will take reasonable steps to identify and reject applicants under the Hong Kong Public Offer from investors who have received Offer Shares in the International Placing, and to identify and reject indications of interest in the International Placing from investors who have received Offer Shares in the Hong Kong Public Offer.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, our Company intends to grant an Over-allotment Option to the International Underwriters exercisable by the Sole Global Coordinator on behalf of the International Underwriters.

Pursuant to the Over-allotment Option, the Sole Global Coordinator has the right, exercisable at any time from the date of the International Underwriting Agreement up to (i) the 30th day after the last date for lodging of applications under the Hong Kong Public Offer or (ii) the date when the stabilisation agent has purchased an aggregate of 33,000,000 Shares (whichever is the earlier), to require our Company to allot and issue up to an aggregate of 33,000,000 additional Shares, representing 15.0% of the initial Offer Shares, at the same price per Share at which Shares were initially offered under the International Placing, to cover over-allocations in the International Placing, if any, on the same terms and conditions as the Offer Shares that are subject to the Global Offering. The Sole Global Coordinator may also cover such over-allocations by purchasing the Offer Shares in the secondary market or by a combination of purchases in the secondary market and a partial exercise of the Over-allotment Option. If the Sole Global Coordinator exercises the Over-allotment Option in full, the additional Shares will represent approximately 2.79% of our Company's enlarged share capital (excluding treasury Shares) immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, a press announcement will be made.

PRICING OF THE GLOBAL OFFERING

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring International Placing Shares. Prospective professional, institutional and other investors will be required to specify the number of International Placing Shares they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building", is expected to continue up to the Price Determination Date.

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, when market demand for the Shares will be determined, which is expected to be on or around 28 September 2010, by agreement between the Joint Bookrunners, on behalf of the Underwriters, and our Company and the number of Offer Shares to be allocated under various offerings will be determined shortly thereafter.

The Offer Price will not be more than HK$6.10 and will not be less than the Discounted SGX-ST Market Price.

The Joint Bookrunners, on behalf of the Underwriters, may, where considered appropriate, based on the level of interest expressed by prospective professional, institutional and other investors during the book-building process, and with our Company's consent, reduce the number of Offer Shares being offered under the Global Offering below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offer. In case of such a reduction, our Company will, as soon as practicable following the decision to make the reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offer, cause there to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) notices of the reduction in the number of Offer Shares. Upon issue of such a notice, the number of Hong Kong Offer Shares offered in the Hong Kong Public Offer will be final and conclusive. Applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares being offered under the Global Offering may not be made until the last day for lodging applications under the Hong Kong Public Offer. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set forth in this prospectus, and any other financial information which may change as a result of such reduction. Applicants under the Hong Kong Public Offer should note that in no circumstances can applications be withdrawn once they are submitted, even if the number of Hong Kong Offer Shares being offered under the Global Offering is so reduced. In the absence of any such notice so published, the number of Offer Shares will not be reduced.

In the event of a reduction in the number of Offer Shares being offered under the Global Offering, the Joint Bookrunners may at their discretion reallocate the number of Offer Shares to be offered under the Hong Kong Public Offer and the International Placing, provided that the number of Offer Shares comprised in the Hong Kong Public Offer shall not be less than 10% of the total number of Offer Shares available under the Global Offering (assuming the Over-allotment Option and all outstanding Options are not exercised). The Offer Shares to be offered in the International Placing and the Offer Shares to be offered in the Hong Kong Public Offer may, in certain circumstances, be reallocated as between these offerings at the discretion of the Joint Bookrunners.

The net proceeds of the Global Offering accruing to our Company (after deduction of underwriting fees and estimated expenses payable by our Company in relation to the Global Offering, assuming the Over-allotment Option is not exercised) are estimated to be approximately HK$1,266.9 million, assuming an Offer Price of HK$6.10 (being the maximum Offer Price) (or if the Over-allotment Option is exercised in full, approximately HK$1,461.4 million, assuming an Offer Price of HK$6.10 (being the maximum Offer Price)).

The final Offer Price is expected to be announced on 28 September 2010 on our website at http://www.midas.com.sg and the Stock Exchange's website at www.hkexnews.hk, and the indications of interest in the International Placing, the levels of applications in the Hong Kong Public Offer and the basis of allotment of Shares available under the Hong Kong Public Offer, are expected to be announced on 5 October 2010, in each case in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese).

STABILISATION

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to minimise and, if possible, prevent a decline in the market price of the securities below the offer price. In Hong Kong, Singapore and certain other jurisdictions, activity aimed at reducing the market price is prohibited, and the price at which stabilisation is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, Credit Suisse, as stabilising manager, its affiliates or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilising or maintaining the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. Credit Suisse has been appointed as stabilising manager for the purposes of the Global Offering in accordance with the Securities and Futures (Price Stabilising) Rules made under the SFO and the Securities and Futures (Market Conduct) (Exemptions) Regulations 2006 under the Securities and Futures Act (Chapter 289 of Singapore).

Any such stabilising activity will be made in compliance with all applicable laws, rules and regulations in place in Hong Kong and Singapore on stabilisation including the Securities and Futures (Price Stabilising) Rules made under the SFO and the Securities and Futures (Market Conduct) (Exemptions) Regulations 2006 under the Securities and Futures Act (Chapter 289 of Singapore). However, there is no obligation on Credit Suisse, its affiliates or any person acting for it to do this. Such stabilisation, if commenced, will be conducted at the absolute discretion of Credit Suisse, its affiliates or any person acting for it and may be discontinued at any time, and must be brought to an end after a limited period. The number of Shares that may be over-allocated will not be greater than the number of Shares which may be sold upon exercise of the Over-allotment Option, being 33,000,000 Shares, which is approximately 15.0% of the Shares initially available under the Global Offering.

The possible stabilising action which may be taken by Credit Suisse, its affiliates or any person acting for it in connection with the Global Offering may involve (among other things) (i) over-allotment of Shares, (ii) purchases of Shares, (iii) exercising the Over-allotment Option in whole or in part, (iv) stock borrowing and/or (v) offering or attempting to do any of (ii), (iii) or (iv) above.

Specifically, prospective applicants for and investors in Offer Shares should note that:

- Credit Suisse, its affiliates or any person acting for it may, in connection with the stabilising action, maintain a long position in the Shares;

- there is no certainty regarding the extent to which and the time period for which Credit Suisse, its affiliates or any person acting for it will maintain such a position;

- no stabilising action can be taken to support the price of the Shares for longer than the stabilising period which will begin on the Listing Date, and is expected to expire on (i) the 30th day after the date expected to be the last date for lodging applications under the Hong Kong Public Offer or (ii) the date when the stabilisation agent has purchased an aggregate of 33,000,000 Shares (whichever is the earlier). After this date, when no further action may be taken to support the price of the Shares, demand for the Shares, and therefore the price of the Shares, could fall;

- the price of any security (including the Shares) cannot be assured to stay at or above its offer price by the taking of any stabilising action; and

- stabilising bids may be made or transactions effected in the course of the stabilising action at any price at or below the Offer Price, which means that stabilising bids may be made or transactions effected at a price below the price paid by applicants for, or investors in, the Shares.

Details of stabilisation actions undertaken by Credit Suisse, its affiliates or any person acting for it will be announced in accordance with applicable laws and regulatory requirements in Hong Kong and Singapore.

STOCK BORROWING

In order to facilitate settlement of over-allocations in connection with the International Placing, a Stock Borrowing Agreement has been entered into among Mr. Chew Hwa Kwang, Patrick and Credit Suisse. Under the Stock Borrowing Agreement, Mr. Chew Hwa Kwang, Patrick has agreed with Credit Suisse that if requested by Credit Suisse, he will, subject to the terms of the Stock Borrowing Agreement, make available to Credit Suisse up to 33,000,000 Shares held by him, by way of stock lending, in order to cover over-allocations in connection with the International Placing on the conditions that:

(i) such stock borrowing arrangement will only be effected by Credit Suisse for settlement of over-allocations of Shares in connection with the International Placing;

(ii) the maximum number of Shares which may be borrowed from Mr. Chew Hwa Kwang, Patrick by Credit Suisse under the Stock Borrowing Agreement must not exceed the maximum number of Shares which may be issued upon the full exercise of the Over-allotment Option;

(iii) the same number of Shares so borrowed must be returned to Mr. Chew Hwa Kwang, Patrick or his nominees, as the case may be, on or before the third Business Day following the earlier of:

  (a) the last day on which the Over-allotment Option may be exercised; or

  (b) the day on which the Over-allotment Option is exercised in full.

(iv) the stock borrowing arrangement under the Stock Borrowing Agreement will be effected in compliance with all applicable laws and regulatory requirements; and

(v) no payments or other benefits will be made to Mr. Chew Hwa Kwang, Patrick by Credit Suisse or any of the International Underwriters in relation to such stock borrowing arrangement.

DEALING

Assuming that the Hong Kong Public Offer becomes unconditional at or before 8:00 a.m. in Hong Kong on 6 October 2010, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:30 a.m. on 6 October 2010.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for the Shares pursuant to the Hong Kong Public Offer will be conditional on, among other things:

(i) the Listing Committee granting the listing of, and permission to deal in, the Shares being offered pursuant to the Global Offering (including the additional Shares which may be made available pursuant to the exercise of the Over-allotment Option) (subject only to allotment), and such listing and permission not having been revoked prior to the commencement of dealings in Shares on the Stock Exchange;

(ii) the Offer Price having been duly determined and the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date;

(iii) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming and remaining unconditional (including, if relevant, as a result of the waiver of any conditions by the Joint Bookrunners, on behalf of the Underwriters) and not having been terminated in accordance with the terms of the respective agreements; and

(iv) in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than 21 October 2010 which is 30 days after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between our Company and the Joint Bookrunners (on behalf of the Underwriters) by 4 October 2010, the Global Offering will lapse.

The consummation of each of the Hong Kong Public Offer and the International Placing is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. We will publish a notice of the lapse of the Hong Kong Public Offer in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) on the next day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set forth in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus. In the meantime, all application monies will be held in separate bank accounts with the receiving bankers or other licensed banks in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

We expect to issue Share certificates for the Offer Shares on 5 October 2010. Share certificates for the Offer Shares will only become valid certificates of title at 8:00 a.m. on 6 October 2010 provided that (i) the Global Offering has become unconditional in all respects; and (ii) the right of termination as described in the section headed "Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offer – Grounds for termination" in this prospectus has not been exercised.

WHO CAN APPLY FOR THE HONG KONG OFFER SHARES

You can apply for Hong Kong Offer Shares if you or any person(s) for whose benefit you are applying, are an individual, and:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States; and
- are not a legal or natural person of the PRC (except qualified domestic institutional investors).

If you wish to apply for Hong Kong Offer Shares by means of **White Form eIPO**, in addition to the above, you must also:

- have a valid Hong Kong identity card number; and
- be willing to provide a valid e-mail address and a contact telephone number.

You may only apply by means of the **White Form eIPO** service if you are an individual applicant. Corporations or joint applicants may not apply by means of **White Form eIPO**.

If the applicant is a firm, the application must be in the names of the individual members, not the firm's name. If the applicant is a body corporate, the Application Form must be signed by a duly authorised officer (and stamped with the company chop bearing the company name), who must state his or her representative capacity.

If any application is made by a person duly authorised under a valid power of attorney, the Joint Bookrunners of the Hong Kong Public Offer (or its respective agents or nominees) may accept it at their discretion, and subject to any conditions they think fit, including production of evidence of the authority of the attorney.

The number of joint applicants may not exceed four.

We, the Joint Bookrunners of the Hong Kong Public Offer and the designated White Form eIPO Service Provider in its capacity as our agents, will have full discretion to reject or accept any application, in full or in part, without assigning any reason.

The Hong Kong Offer Shares are not available to existing beneficial owners of Shares in our Company, our Directors, chief executive officer or their respective associates or any other connected persons of our Company or persons who will become our connected persons immediately upon completion of the Global Offering.

You should also note that you may apply for Shares under the Hong Kong Public Offer or indicate an interest for Shares under the International Placing, but may not do both.

CHANNELS OF APPLYING FOR THE HONG KONG OFFER SHARES

There are three channels to make an application for the Hong Kong Offer Shares. You may apply for the Hong Kong Offer Shares by either using a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC to cause HKSCC Nominees to apply for the Hong Kong Offer Shares on your behalf or through the **White Form eIPO** service by submitting applications online through the designated website at **www.eipo.com.hk**. Except where you are a nominee and provide the required information in your application, you or you and your joint applicant(s) may not make more than one application (whether individually or jointly) by applying using a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or the White Form eIPO Service Provider.

1. APPLYING BY USING A WHITE OR YELLOW APPLICATION FORM

Which Application Form to Use

Use a **WHITE** Application Form if you want the Hong Kong Offer Shares issued in your own name.

Instead of using a **WHITE** Application Form, you may apply by using the **White Form eIPO** service to have the Hong Kong Offer Shares registered in your own name.

Use a **YELLOW** Application Form if you want the Hong Kong Offer Shares issued in the name of HKSCC Nominees and deposited directly into CCASS for credit to your CCASS Investor Participant stock account or your designated CCASS Participant's stock account.

Instead of using a **YELLOW** Application Form, you may **electronically** instruct HKSCC via CCASS to cause HKSCC Nominees to apply for Hong Kong Offer Shares on your behalf. Any Hong Kong Offer Shares allocated to you will be registered in the name of HKSCC Nominees and deposited directly into CCASS for credit to your CCASS Investor Participants stock account or your designated CCASS Participant's stock account.

Hong Kong Offer Shares are not available to existing beneficial owners of Shares in our Company, the Directors or chief executive officer of our Company or any of our subsidiaries, or associates of any of them or United States persons (as defined in Regulation S) or persons who do not have a Hong Kong address.

Where to Collect the WHITE and YELLOW Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on 21 September 2010 until 12:00 noon on 27 September 2010 from:

The following address of the Hong Kong Underwriters:

Credit Suisse (Hong Kong) Limited	45th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong

J.P. Morgan Securities (Asia Pacific) Limited	28th Floor, Chater House 8 Connaught Road Central Central, Hong Kong
CCB International Capital Limited	34th Floor, Two Pacific Place 88 Queensway Admiralty, Hong Kong

or at any of the following branches of Hang Seng Bank Limited:

Hong Kong Island:	Head Office	83 Des Voeux Road Central
	Wanchai North Branch	Shop 3, G/F, Causeway Centre, 28 Harbour Road
	Causeway Bay Branch	28 Yee Wo Street
Kowloon:	Kowloon Main Branch	618 Nathan Road
	Tsimshatsui Branch	18 Carnarvon Road
	Kwun Tong Branch	70 Yue Man Square
New Territories:	Shatin Branch	Shop 18 Lucky Plaza, Wang Pok Street, Shatin
	Tai Ho Road Branch	30 Tai Ho Road

or at any of the following branches of China Construction Bank (Asia) Corporation Limited:

Hong Kong Island:	Central Branch	6 Des Voeux Road Central, Central
	Causeway Bay Plaza Branch	G/F, Causeway Bay Plaza 1, Causeway Bay
	North Point Branch	382 King's Road, North Point
Kowloon:	Jordan Branch	316 Nathan Road, Jordan
	Yaumati Branch	556 Nathan Road, Yaumati
	Hunghom Whampoa Branch	Shop A3, G/F, Yuen Wah Building, Whampoa Estates, Hunghom
New Territories:	Yuen Long Branch	68 Castle Peak Road, Yuen Long
	Tsuen Wan Branch	282 Sha Tsui Road, Tsuen Wan
	Tuen Mun Branch	Shop 9, G/F Tuen Mun Town Plaza 2, Tuen Mun

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on 21 September 2010 till 12:00 noon on 27 September 2010 from:

(a) The **Depository Counter of HKSCC** at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong; or

(b) Your **stockbroker**, who may have such Application Forms and this prospectus available.

How to Complete the WHITE and YELLOW Application Forms

There are detailed instructions on each Application Form. You should read those instructions carefully. If you do not follow the instructions your application may be rejected and returned by ordinary post together with the accompanying cheque(s) or banker's cashier order(s) to you (or the first-named applicant in the case of joint applicants) or at your own risk at the address stated in the Application Form.

You should note that by completing and submitting the **WHITE** and **YELLOW** Application Forms, among other things, you:

(a) **agree** with the Company and each of the Shareholders, and the Company agrees with each of the Shareholders, to observe and comply with the Singapore Companies Act, the Hong Kong Companies Ordinance, the Memorandum of Association and Articles of Association;

(b) **confirm** that you have received a copy of the Prospectus and the Application Forms and have only relied on the information and representations contained in this prospectus and the Application Forms in making your application and will not reply on any other information or representations save as set out in any supplement to this prospectus;

(c) **agree** that none of the Company, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective affiliates, directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering is or will be liable for any information and representations not contained in this prospectus and the Application Forms (and any supplement thereto);

(d) **undertake** and **confirm** that you (if the application is made for your benefit) or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Placing Shares nor otherwise participate in the International Placing;

(e) **agree** to disclose to the Company, and/or the Hong Kong Share Registrar, receiving bankers, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or their respective advisers and agents any personal data which they require about you and the person(s) for whose benefit you have made the application;

(f) **instruct** and **authorise** the Company, and/or the Joint Bookrunners, and/or the Joint Lead Managers, and/or the Hong Kong Underwriters (or their respective agents or nominees), each acting as an agent of the Company, to do on your behalf all things necessary to register the Hong Kong Offer Shares allotted to you in your name(s) or HKSCC Nominees, as the case may be, as required by the Memorandum of Association and Articles of Association, and otherwise to give effect to the arrangements described in the Prospectus and the Application Forms;

(g) **undertake** to sign all documents and to do all things necessary to enable or HKSCC Nominees, as the case may be, to be registered as the holder(s) of the Hong Kong Offer Shares allocated or transferred to you, and as required by the Memorandum of Association and Articles of Association;

(h) **agree** (without prejudice to any other rights which you may have) that once your application has been accepted, you may **not** revoke it other than as provided in the Prospectus and the Application Forms;

(i) (if the application is made for your own benefit) **warrant** that this is the only application which has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC via CCASS or to the designated White Form eIPO Service Provider via the **White Form eIPO** service (**www.eipo.com.hk**);

(j) **agree** that your application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(k) **undertake** and **agree** to accept the Hong Kong Offer Shares applied for, or any lesser numbers allotted to you under this application;

(l) **represent, warrant and undertake** that you and any person for whose benefit you are applying understand that the Hong Kong Offer Shares have not been and will not be registered under the US Securities Act and you and any person for whose account or benefit you are acquiring the Hong Kong Offer Shares are outside the United States (as defined in Regulation S under the US Securities Act) when completing the Application Forms and will be acquiring the Hong Kong Offer Shares in an offshore transaction;

(m) (if you are an agent for another person) **warrant** that reasonable enquiries have been made of that other person that this is the only application which has been and will be made for the benefit of that other person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC via CCASS or to the designated White Form eIPO Service Provider via the **White Form eIPO** service (**www.eipo.com.hk**), and that you are duly authorised to sign the Application Forms as that other person's agent;

(n) **warrant** the truth and accuracy of the information contained in the Application Forms;

(o) (if the application is made by an agent on your behalf) **warrant** that you have validly and irrevocably conferred on your agent all necessary power and authority to make the application;

(p) if the laws of any place outside Hong Kong are applicable to your application, you **agree** and **warrant** that you have complied with all such laws and none of our Company, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters nor any of their respective officers or advisers will infringe any laws outside Hong Kong as a result of the acceptance of your offer to purchase, or any actions arising from your rights and obligations under the terms and conditions contained in the Prospectus;

(q) **agree** that the processing of your application, may be done by any of the Company's receiving banker and is not restricted to the bank at which your Application Form was lodged;

(r) **authorise** the Company to enter into a contract on your behalf with each of the Directors and officers whereby each such Director and officer undertakes to observe and comply with his obligations to the shareholders of the Company as stipulated in the articles of association of the Company;

(s) **agree** with the Company and each shareholder of the Company that the Shares are freely transferable by the holders thereof; and

(t) **confirm** that you have read the conditions and application procedures set out in the Prospectus and the Application Form and agree to bound by them.

In order for the **YELLOW** Application Forms to be valid:

(a) If the application is made through a designated CCASS Participant (other than a CCASS Investor Participant):

i. the designated CCASS Participant must endorse the form with its company chop (bearing its company name) and insert its CCASS participant I.D. in the appropriate box in the Application Form.

(b) If the application is made by an individual CCASS Investor Participant:

i. the Application Form must contain the CCASS Investor Participant's name and Hong Kong identity card number; and

ii. the CCASS Investor Participant must insert its participant I.D. in the appropriate box in the Application Form.

(c) If the application is made by a joint individual CCASS Investor Participant:

i. the Application Form must contain all joint CCASS Investor Participants' names and the Hong Kong identity card numbers of all joint CCASS Investor Participants; and

ii. the participant I.D. must be inserted in the appropriate box in the Application Form.

(d) If the application is made by a corporate CCASS Investor Participant:

i. the Application Form must contain the CCASS Investor Participant's company name and Hong Kong Business Registration number; and

ii. the participant I.D. and company chop (bearing its company name) must be inserted in the appropriate box in the Application Form.

Incorrect or incomplete details of the CCASS Participant or the omission or inadequacy of participant I.D. or other similar matters may render the application invalid.

If your application is made through a duly authorised attorney, the Company, the Joint Bookrunners of the Hong Kong Public Offer, the Joint Lead Managers of the Hong Kong Public Offer, the Hong Kong Underwriters and their respective agents or nominees as the Company's agents may accept it at the Company's discretion, and subject to any conditions the Company thinks fit, including evidence of the authority of your attorney. The Company and the Joint Bookrunners of the Hong Kong Public Offer, in its capacity as the Company's agents, will have full discretion to reject or accept any application, in full or in part, without assigning any reasons.

How to make payment for the application

Each completed **WHITE** or **YELLOW** Application Form must be accompanied by either one cheque or one banker's cashier order, which must be stapled to the Application Form.

If you pay by cheque, the cheque must:

- be in Hong Kong dollars;
- be drawn on your Hong Kong dollar bank account in Hong Kong;
- show your account name. This name must either be pre-printed on the cheque, or endorsed on the back by a person authorised by the bank. This account name must be your name. If it is a joint application, the account name must be the same as the name of the first-named applicant;
- be payable to "**Hang Seng (Nominee) Limited – Midas Holdings Public Offer**";
- be crossed "Account payee only"; and
- not be post dated.

Your application may be rejected if your cheque:

- does not meet all these requirements; or
- is dishonoured on its first presentation.

If you pay by banker's cashier order:

- you must purchase the banker's cashier order from a licensed bank in Hong Kong, and have your name certified on the back by a person authorised by the bank. The name on the back of the banker's cashier order and the name on the application must be the same. If it is a joint application, the name on the banker's cashier order must be the same as the name of the first-named applicant;

- the banker's cashier order must be payable to "**Hang Seng (Nominee) Limited – Midas Holdings Public Offer**";
- the banker's cashier order must be crossed "Account payee only";
- the banker's cashier order must be in Hong Kong dollars; and
- the banker's cashier order must not be post dated.

Your application may be rejected if your banker's cashier order does not meet all these requirements or is dishonoured on its first presentation.

2. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTION TO HKSCC

General

CCASS Participants may give **electronic application instructions** to HKSCC to apply for the Hong Kong Offer Shares and to arrange payment of the monies due on application and payment of refunds. This will be in accordance with their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give **electronic application instructions** through the CCASS Phone System by calling +852 2979 7888 or through the **CCASS Internet System (https://ip.ccass.com) (using the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time)**.

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Center
2/F Vicwood Plaza
199 Des Voeux Road Central
Hong Kong

and complete an input request form.

Prospectuses are available for collection from the above address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf.

You are deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application, whether submitted by you or through your broker or custodian, to our Company and Hong Kong Share Registrar.

Giving Electronic Application Instructions to HKSCC to Apply for Hong Kong Offer Shares by HKSCC Nominees on Your Behalf

Where a **WHITE** Application Form is signed by HKSCC Nominees on behalf of persons who have given **electronic application instructions** to apply for the Hong Kong Offer Shares:

(a) HKSCC Nominees is only acting as a nominee for those persons and shall not be liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus:

(b) HKSCC Nominees does the following things on behalf of each such person:

(i) **agrees** that the Hong Kong Offer Shares to be allotted shall be issued in the name of the HKSCC Nominees and deposited directly into CCASS for the credit of the stock account of the CCASS Participant who has inputted **electronic application instructions** on that person's behalf or that person's CCASS Investor Participant stock account;

(ii) **undertakes** and **agrees** to accept the Hong Kong Offer Shares in respect of which that person has given **electronic application instructions** or any lesser number;

(iii) **undertakes** and **confirms** that that person has not indicated an interest for, applied for or taken up or indicated an interest for, any shares under the International Placing nor otherwise participated in the International Placing;

(iv) (if the **electronic application instructions** are given for that person's own benefit) **declares** that only one set of **electronic application instructions** has been given for that person's benefit;

(v) (If that person is an agent for another person) **declares** that that person has only given one set of **electronic application instructions** for the benefit of that other person and that that person is duly authorised to give those instructions as that other person's agent;

(vi) **understands** that the above declaration will be relied upon by our Company, our Directors, and the Joint Bookrunners in deciding whether or not to make any allotment of Hong Kong Offer Shares in respect of the **electronic application instructions** given by that person and that that person may be prosecuted if he makes a false declaration;

(vii) **authorises** the Company to place the name of HKSCC Nominees on the register of members of the company as the holder of the Hong Kong Offer Shares allotted in respect of that person's **electronic application instructions** and to send share certificate(s) and/or refund monies in accordance with the arrangements separately agreed between the Company and HKSCC;

(viii) **confirms** that that person has read the terms and conditions and application procedures set out in this prospectus and agrees to be bound by them;

(ix) **confirms** that that person has only relied on the information and representations in this prospectus in giving that person's **electronic application instructions** or instructing that person's broker or custodian to give **electronic application instructions** on that person's behalf save as set out in any supplement to this prospectus;

(x) **agrees** that the Company, the Joint Bookrunners, the Lead Managers and the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering are liable only for the information and representations contained in this prospectus and any supplemental thereto;

(xi) **agrees** to disclose that person's personal data to the Company, the Hong Kong Share Registrar and/or their respective agents and any information which they may require about that person;

(xii) **agrees** (without prejudice to any other rights which that person may have) that once the application to HKSCC Nominees has been accepted, the application cannot be rescinded for innocent misrepresentation;

(xiii) **agrees** that any application made by HKSCC Nominees on behalf of that person pursuant to **electronic application instructions** given by that person is irrevocable before 21 October 2010, such agreement to take effect as a collateral contract with the Company and to become binding when that person gives the instructions and such collateral contract to be in consideration of the Company agreeing that it will not offer any Hong Kong Offer Shares to any person before 21 October 2010, except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the Application Lists (excluding for this purpose any day which is Saturday, Sunday, or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Hong Kong Companies Ordinance gives a public notice under that section which excludes or limits the responsibility of that person for this prospectus;

(xiv) **agrees** that once the application of HKSCC Nominees is accepted, neither that application nor that person's **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by the announcement of the results of the Hong Kong Public Offer published by the Company;

(xv) **agrees** to the arrangements, undertakings and warranties specified in the participant agreement between that person and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, in respect of the giving of **electronic application instructions** relating to Hong Kong Offer Shares;

(xvi) **agrees** with the Company, for itself and for the benefit of each of the Shareholders (and so that the Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving electronic application instructions) to observe and comply with the Singapore Companies Act, the Hong Kong Companies Ordinance and our Articles of Association; and

(xvii) **agrees** that that person's application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong.

Effect of Giving Electronic Application Instructions to HKSCC

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- **instructed** and **authorised** HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Offer Shares on your behalf;

- **instructed** and **authorised** HKSCC to arrange payment of the maximum offer price, brokerage, SFC transaction levy and Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the offer price per Share initially paid on application, refund of the application monies, in each case including brokerage, SFC transaction levy and Stock Exchange trading fee, by crediting your designated bank account;

- **instructed** and **authorised** HKSCC to cause HKSCC Nominees to do on your behalf all the things which it is stated to do on your behalf in the **WHITE** Application Form.

Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your behalf, the number of Hong Kong Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong Offer Shares in respect of which you have given such instructions and/or in respect of which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Hong Kong Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for those purposes of considering whether multiple applications have been made.

Minimum Subscription Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** in respect of a minimum of 1,000 Hong Kong Offer Shares. Such instructions in respect of more than 1,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the **WHITE** and **YELLOW** Application Forms. No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

Tuesday, 21 September 2010	–	**9:00 a.m. to 8:30 p.m.(1)**
Wednesday, 22 September 2010	–	**8:00 a.m. to 8:30 p.m.(1)**
Friday, 24 September 2010	–	**8:00 a.m. to 8:30 p.m.(1)**
Saturday, 25 September 2010	–	**8:00 a.m. to 1:00 p.m.(1)**
Monday, 27 September 2010	–	**8:00 a.m.(1) to 12:00 noon**

Note:

(1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

CCASS Investor Participants can input electronic application instructions from 9:00 a.m. on 21 September 2010 until 12:00 noon on 27 September 2010 (24 hours daily, except the last application day).

Effect of Bad Weather on the Opening of the Application Lists

The latest time for inputting your **electronic application instructions** will be 12:00 noon on 27 September 2010, the last application day. If:

- a tropical cyclone warning signal number 8 or above; or
- a "black" rainstorm warning signal

is in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on 27 September 2010, the last application day will be postponed to the next Business Day which does not have either of these warning signals in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on such day.

Section 40 of the Hong Kong Companies Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Hong Kong Companies Ordinance (as applied by Section 342E of the Hong Kong Companies Ordinance).

Personal Data

The section of the Application Form entitled "Personal Data" applies to any personal data held by the Company and the Hong Kong Share Registrar about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

Warning

The subscription of the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. The Company, the Directors, the Joint Bookrunners, the Joint Lead Managers and the Underwriters take no responsibility for the application and provided no assurance that any CCASS Participant will be allotted any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions** to HKSCC through the CCASS Phone System or the CCASS Internet System, CCASS Investor Participants are advised not to wait until the last minute to input their **electronic application instructions** to the systems. In the event that CCASS Investor Participants have problems connecting to the CCASS Phone System or the CCASS Internet System to submit their **electronic application instructions**, they should either: (i) submit a **WHITE**, or **YELLOW** Application Form; or (ii) go to HKSCC's Customer Service Center to complete an input request form for **electronic application instructions** before 12:00 noon on 27 September 2010.

3. APPLYING THROUGH WHITE FORM eIPO

General

(a) You may apply through **White Form eIPO** by submitting an application through the designated website at **www.eipo.com.hk** if you satisfy the relevant eligibility criteria for this as set out in the subsection headed "WHO CAN APPLY FOR THE HONG KONG OFFER SHARES" in this section of this prospectus and on the same website. If you apply through **White Form eIPO**, the Shares will be issued in your own name.

(b) Detailed instructions for application through the **White Form eIPO** service are set out on the designated website at **www.eipo.com.hk**. You should read these instructions carefully. If you do not follow the instructions, your application may be rejected by the designated White Form eIPO Service Provider and may not be submitted to the Company.

(c) If you give **electronic application instructions** through the designated website at **www.eipo.com.hk**, you will have authorized the designated White Form eIPO Service Provider to apply on the terms and conditions set out in this prospectus, as supplemented and amended by the terms and conditions applicable to the **White Form eIPO** service.

(d) In addition to the terms and conditions set out in this prospectus, the designated White Form eIPO Service Provider may impose additional terms and conditions upon you for the use of the **White Form eIPO** service. Such terms and conditions are set out on the designated website at **www.eipo.com.hk**. You will be required to read, understand and agree to such terms and conditions in full prior to making any application.

(e) By submitting an application to the designated White Form eIPO Service Provider through the **White Form eIPO** service, you are deemed to have authorized the designated White Form eIPO Service Provider to transfer the details of your application to the Company and our Hong Kong Share Registrar.

(f) You may submit an application through the **White Form eIPO** service in respect of a minimum of 1,000 Hong Kong Offer Shares. Each **electronic application instruction** in respect of more than 1,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Forms, or as otherwise specified on the designated website at **www.eipo.com.hk**.

(g) You may submit your application to the designated White Form eIPO Service Provider through the designated website **www.eipo.com.hk** from 9:00 a.m. on 21 September 2010 until 11:30 a.m. on 27 September 2010 or such later time as described under the sub-paragraph headed "8. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS" below (24 hours daily, except on the last application day). The latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on 27 September 2010, the last application day, or, if the Application Lists are not open on that day, then by the time and date stated in the sub-paragraph headed "Effect of bad weather on electronic applications under White Form eIPO service" below.

You will not be permitted to submit your application to the designated White Form eIPO Service Provider through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the Application Lists close.

(h) You should make payment for your application made by **White Form eIPO** service in accordance with the methods and instructions set out in the designated website at **www.eipo.com.hk**. If you do not make complete payment of the application monies (including any related fees) on or before 12:00 noon on 27 September 2010, or such later time as described under the paragraph headed "Effect of bad weather on electronic applications under White Form eIPO service" below, the designated White Form eIPO Service Provider will reject your application and your application monies will be refunded to you in the manner described in the designated website at **www.eipo.com.hk**.

(i) Once you have completed payment in respect of any electronic application instruction given by you or for your benefit to the designated White Form eIPO Service Provider to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under **White Form eIPO** more than once and obtaining different application reference numbers without effecting full payment in respect of a particular application reference number will not constitute an actual application.

(j) Warning: The application for Hong Kong Offer Shares through the **White Form eIPO** service is only a facility provided by the designated White Form eIPO Service Provider to public investors. We, our Directors, the Sole Global Coordinator, Joint Bookrunners, the Joint Lead Managers and Sole Sponsor, the Underwriters and the White Form eIPO Service Provider take no responsibility for such applications, and provide no assurance that applications through the **White Form eIPO** service will be submitted to the Company or that you will be allotted any Hong Kong Offer Shares.

Environmental Protection

The obvious advantage of **White Form eIPO** is to save the use of paper via the self-serviced and electronic application process. Computershare Hong Kong Investor Services Limited, being the designated White Form eIPO Service Provider, will contribute HK$2 for each "Midas Holdings Limited" **White Form eIPO** application submitted via **www.eipo.com.hk** to support the funding of the "Source of Dongjiang – Hong Kong Forest" project initiated by Friends of the Earth (HK).

Please note that internet services may have capacity limitations and/or be subject to service interruptions from time to time. To ensure that you can submit your applications through the **White Form eIPO** service, you are advised not to wait until the last day for submitting applications in the Hong Kong Public Offering to submit your electronic application instructions. In the event that you have problems connecting to the designated website for the **White Form eIPO** service, you should submit a white Application Form. However, once you have submitted electronic application instructions and completed payment in full using the application reference number provided to you on the designated website, you will be deemed to have made an actual application and should not submit a **WHITE** or **YELLOW** Application Form or give electronic application instructions to HKSCC via CCASS.

Conditions of the White Form eIPO service

In using the **White Form eIPO** service to apply for the Hong Kong Offer Shares, the applicant shall be deemed to have accepted the following conditions:

That the applicant:

- **applies** for the desired number of Hong Kong Offer Shares on the terms and conditions of this prospectus and the **White Form eIPO** designated website at **www.eipo.com.hk** subject to the Articles of Association;

- **undertakes** and agrees to accept the Hong Kong Offer Shares applied for, or any lesser number allotted to the applicant on such application;

- **declares** that it is the only application made and the only application intended by the applicant to be made whether on a **WHITE** or **YELLOW** Application Form or by giving electronic application instruction to HKSCC or to the White Form eIPO Service Provider under the **White Form eIPO** service, to benefit the applicant or the person for whose benefit the applicant is applying;

- **undertakes** and **confirms** that the applicant and the person for whose benefit the applicant is applying has not applied for or taken up, or indicated an interest for, or received or been placed or allocated (including conditionally and/or provisionally) and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Placing, nor otherwise participate in the International Placing;

- **understands** that such declaration and representation will be relied upon by the Company in deciding whether or not to make any allotment of Hong Kong Offer Shares in response to such application;

- **authorizes** the Company to place the applicant's name on the register of members of the Company as the holder of any Hong Kong Offer Shares to be allotted to the applicant, and (subject to the terms and conditions set out in this prospectus) to send any Share certificates by ordinary post at the applicant's own risk to the address given on the **White Form eIPO** application except where the applicant has applied for 1,000,000 or more Hong Kong Offer Shares and that applicant collects any Share certificate(s) in person in accordance with the procedures prescribed in the **White Form eIPO** designated website at **www.eipo.com.hk** and this prospectus;

- **requests** that any refund payment instructions be despatched to the application payment bank account where the applicants had paid the application monies from a single bank account;

- **requests** that any refund cheque(s) be made payable to the applicant who had used multibank accounts to pay the application monies;

- **has read** the terms and conditions and application procedures set out on the **White Form eIPO** designated website at **www.eipo.com.hk** and this prospectus and agrees to be bound by them;

- **represents**, **warrants** and **undertakes** that the applicant, and any persons for whose benefit the applicant is applying are non-US person(s) outside the United States (as defined in Regulation S), when completing and submitting the application or is a person described in paragraph (h)(3) of Rule 902 of Regulation S or the allotment of or application for the Hong Kong Offer Shares to or by whom or for whose benefit the application is made would not require the Company to comply with any requirements under any law or regulation (whether or not having the force of law) of any territory outside Hong Kong; and

- **agrees** that such application, any acceptance of it and the resulting contract, will be governed by and construed in accordance with the laws of Hong Kong.

Effect of bad weather on electronic applications under White Form eIPO service

The latest time for submitting an application to the designated White Form eIPO Service Provider through **White Form eIPO** service will be 11:30 a.m. on 27 September 2010 and the latest time for completing full payment of application monies will be 12:00 noon on 27 September 2010. If:

(a) a tropical cyclone warning signal number 8 or above; or

(b) a "black" rainstorm warning signal is in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on 27 September 2010, the latest time to complete the application and the latest time to complete payment will be postponed to 11:30 a.m. and 12:00 noon respectively on the next Business Day which does not have either of those warning signals in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on such day.

If the Application Lists of the Hong Kong Public Offering do not open and close on 27 September 2010 or if there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal in force in Hong Kong on the other dates mentioned in the section headed "Expected Timetable" in this prospectus, such dates mentioned in the section headed "Expected Timetable" in this prospectus may be affected. A press announcement will be made in such event in the South China Morning Post (in English) and in the Hong Kong Economic Times (in Chinese).

Supplemental information

If any supplement to this prospectus is issued, applicant(s) who have already submitted an electronic application instruction through the **White Form eIPO** service may or may not (depending on the information contained in the supplement) be notified that they can withdraw their applications. If applicant(s) have not been so notified, or if applicant(s) have been notified but have not withdrawn their applications in accordance with the procedure to be notified, all applications through the **White Form eIPO** service that have been submitted remain valid and may be accepted. Subject to the above and below, an application once made through the **White Form eIPO** service is irrevocable and applicants shall be deemed to have applied on the basis of this Prospectus as supplemented.

Effect of completing and submitting an application through the White Form eIPO service

By completing and submitting an application through the **White Form eIPO** service, you for yourself or as agent or nominee and on behalf of any person for whom you act as agent or nominee shall be deemed to:

- **instruct** and **authorize** the Company, the Joint Bookrunners and the Joint Lead Managers as agents for the Company (or its respective agents or nominees) to do on your behalf all things necessary to register any Hong Kong Offer Shares allotted to you in your name as required by the Articles and otherwise to give effect to the arrangements described in this prospectus and the **White Form eIPO** designated website at **www.eipo.com.hk**;

- **confirm** that you have only relied on the information and representations in this prospectus in making your application and will not rely on any other information and representations save as set out in any supplement to this prospectus;

- **agree** that the Company and our Directors are liable only for the information and representations contained in this Prospectus and any supplement thereto;

- **agree** (without prejudice to any other rights which you may have) that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;

- (if the application is made for your own benefit) **warrant** that it is the only application which will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the White Form eIPO Service Provider via the **White Form eIPO** service;

- (if you are an agent for another person) **warrant** reasonable enquiries have been made of that other person that it is the only application which will be made for the benefit of that other person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the White Form eIPO Service Provider via the **White Form eIPO** service, and that you are duly authorized to submit the application as that other person's agent;

- **undertake** and **confirm** that, you (if the application is made for your benefit) or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for, take up or indicate an interest for, any International Placing Shares under the International Placing;

- **agree** that your application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

- **agree** to disclose to the Company, our Hong Kong Share Registrar, receiving bankers, the Sole Global Coordinator, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and their respective advisers and agents personal data and any information which they require about you or the person(s) for whose benefit you have made the application;

- **agree** with the Company and each Shareholder, and the Company agrees with each of the Shareholders, to observe and comply with the Companies Ordinance, the Memorandum and Articles;

- **agree** with the Company and each Shareholder that the Shares are freely transferable by the holders thereof;

- **authorize** the Company to enter into a contract on your behalf with each of our Directors and officers whereby each such Director and officer undertakes to observe and comply with his or her obligations to Shareholders as stipulated in the Memorandum and Articles;

- **represent, warrant** and **undertake** that you are not, and none of the other person(s) for whose benefit you are applying, is a US person (as defined in Regulation S);

- **represent** and **warrant** that you understand that the Shares have not been and will not be registered under the U.S. Securities Act and you are outside the United States (as defined in Regulation S) when completing the application or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;

- **confirm** that you have read the terms and conditions and application procedures set out in this prospectus and the **White Form eIPO** designated website at **www.eipo.com.hk** and agree to be bound by them;

- **undertake** and **agree** to accept the Shares applied for, or any lesser number allocated to you under your application; and

- if the laws of any place outside Hong Kong are applicable to your application, **agree** and **warrant** that you have complied with all such laws and none of the Company, the Sole Global Coordinator, the Sole Sponsor and the Joint Bookrunners and the Underwriters nor any of their respective officers or advisors will infringe any laws outside Hong Kong as a result of the acceptance of your offer to purchase, or any actions arising from your rights and obligations under the terms and conditions contained in this prospectus and the **White Form eIPO** designated website at **www.eipo.com.hk**.

Our Company, the Sole Global Coordinator, the Sole Sponsor and the Joint Bookrunners, the Joint Lead Managers, the Underwriters and their respective affiliates, directors, officers, employees, partners, agents, advisors, and any other parties involved in the Global Offering are entitled to rely on any warranty, representation or declaration made by you in such application.

In the event of the application being made by joint applicants, all the warranties, representations, declarations and obligations expressed to be made, given or assumed by or imposed on the joint applicants shall be deemed to have been made, given and assumed by and imposed on the applicants jointly and severally.

Power of attorney

If your application is made by a duly authorized attorney, the Company, the Joint Bookrunners of the Hong Kong Public Offer, as its agent, may accept it at its discretion and subject to any conditions as any of them may think fit, including evidence of the authority of your attorney.

Additional information

For the purposes of allocating Hong Kong Offer Shares, each applicant giving electronic application instructions through **White Form eIPO** service to the White Form eIPO Service Provider through the designated website at **www.eipo.com.hk** will be treated as an applicant.

If your payment of application monies is insufficient, or in excess of the required amount, having regard to the number of Offer Shares for which you have applied, or if your application is otherwise rejected by the designated White Form eIPO Service Provider, the designated White Form eIPO Service Provider may adopt alternative arrangements for the refund of application monies to you. Please refer to the additional information provided by the designated White Form eIPO Service Provider on the designated website at **www.eipo.com.hk**.

Otherwise, any application monies payable to you due to a refund for other reasons are set out below in the subsection headed "10. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES" below.

4. HOW MANY APPLICATIONS YOU MAY MAKE

You may make more than one application for the Hong Kong Offer Shares if and only if:

You are a nominee, in which case you may give **electronic application instructions** to HKSCC (if you are a CCASS Participant) and lodge more than one **WHITE** and **YELLOW** Application Form in your own name if each application is made on behalf of different beneficial owners. In the box on the Application Form marked "For nominees" you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each such beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

Otherwise, multiple applications are not allowed.

It will be a term and condition of all applications that by completing and delivering an Application Form, or submitting an **electronic application instruction** to HKSCC you:

- (if the application is made for your own benefit) warrant that this is the only application which has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the White Form eIPO Service Provider via the **White Form eIPO** service; or

- (if you are an agent for another person) warrant that reasonable enquiries have been made of that other person that this is the only application which has or will be made for the benefit of that other person on a **WHITE** or **YELLOW** Application form or by giving **electronic application instructions** to HKSCC or to the White Form eIPO Service Provider via the **White Form eIPO** service and that you are duly authorised to sign the Application Form as that other person's agent.

Except where you are a nominee and provide the information required to be provided in your application, all of your applications will be rejected as multiple applications if you, or you and your joint applicant(s) together:

- Make more than one application (whether individually or jointly) on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the White Form eIPO Service Provider via the **White Form eIPO** service; or

- Apply both (whether individually or jointly) on one **WHITE** Application Form and one **YELLOW** Application Form or on one **WHITE** or **YELLOW** Application Form and to give **electronic application instructions** to HKSCC or to the White Form eIPO Service Provider via the **White Form eIPO** service; or

- Apply (whether individually or jointly) on one **WHITE** or **YELLOW** Application Form, or by giving **electronic application instructions** to HKSCC or to the White Form eIPO Service Provider via the **White Form eIPO** service for more than 11,000,000 Shares, as more particularly described in the section entitled "Structure of the Global Offering – The Hong Kong Public Offer"; or

- Have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) International Placing Shares under the International Placing.

All of your applications will also be rejected as multiple applications if more than one application on a **WHITE** or **YELLOW** Application Form or by giving electronic instructions to HKSCC or to the White Form eIPO Service Provider via the **White Form eIPO** service is made for your benefit (including the part of the application made by HKSCC acting on **electronic application instructions**). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and

- you exercise statutory control over that company, then the application will be treated as being made for your benefit.

Unlisted company means a company with no equity securities listed on the Stock Exchange.

Statutory control means you:

- control the composition of the board or directors of that company; or
- control more than half of the voting power of that company; or
- hold more than half of the issued share capital of that company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

5. HOW MUCH ARE THE HONG KONG OFFER SHARES

The maximum Offer Price is HK$6.10. You must also pay brokerage of 1%, SFC transaction levy of 0.003%* and the Stock Exchange trading fee of 0.005% in full. This means that for one board lot of 1,000 Shares you will pay approximately HK$6,161.49. The Application Forms have tables showing the exact amount payable for certain numbers of Shares up to 11,000,000 Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for shares by a cheque or a banker's cashier order in accordance with the terms set out in the Application Forms (if you apply by an Application Form).

If your application is successful, brokerage is paid to participants of the Stock Exchange, the SFC transaction levy and Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy collected on behalf of the SFC).

6. REFUND OF APPLICATION MONIES

If you do not receive any Hong Kong Offer Shares for any reason, the Company will refund your application monies, including brokerage of 1%, SFC transaction levy of 0.003%* and Stock Exchange trading fee of 0.005%. No interest will be paid thereon. All interest accrued on such monies prior to the date of dispatch or refund cheques will be retained for the benefit of the Company.

If your application is accepted only in part, the Company will refund the appropriate portion of your application monies, including the related brokerage of 1%, SFC transaction levy of 0.003%* and Stock Exchange trading fee of 0.005%, without interest.

If the Offer Price as finally determined is less than HK$6.10 per Share, appropriate refund payments, including the brokerage of 1%, SFC transaction levy of 0.003%* and Stock Exchange trading fee of 0.005% attributable to the surplus application monies will be made to successful applicants, without interest. Details of the procedure for refund are set out below in the paragraph headed "Dispatch/Collection of Share Certificates and Refund of Application Monies".

In the contingency situation involving a substantial over-subscription, at the discretion of the Company, the Joint Bookrunners of the Hong Kong Public Offer cheques for applications for certain small denominations of Hong Kong Offer Shares on Application Forms (apart form successful applications) may not be cleared.

Refund of your application monies (if any) will be made on 5 October 2010 in accordance with the various arrangements as described in this section.

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* The SFC transaction levy will be changed from 0.004% to 0.003% on 1 October 2010.

7. MEMBERS OF THE PUBLIC – TIME FOR APPLYING FOR HONG KONG OFFER SHARES

Completed **WHITE** or **YELLOW** Application Forms, together with payment attached, must be lodged by 12:00 noon on 27 September 2010, or, if the Application Lists are not open on that day, then by the time and date stated in the paragraph headed "Effect of bad weather on the opening of the Application Lists" below.

Your completed Application Form, together with payment attached, should be deposited in the special collection boxes provided at any of the branches of Hang Seng Bank Limited and China Construction Bank (Asia) Corporation Limited listed under the section headed "Where to collect the **WHITE** and **YELLOW** Application Forms" above at the following times:

Tuesday, 21 September 2010	**–**	**9:00 a.m. to 5:00 p.m.**
Wednesday, 22 September 2010	**–**	**9:00 a.m. to 5:00 p.m.**
Friday, 24 September 2010	**–**	**9:00 a.m. to 5:00 p.m.**
Saturday, 25 September 2010	**–**	**9:00 a.m. to 1:00 p.m.**
Monday, 27 September 2010	**–**	**9:00 a.m. to 12:00 noon**

The Application Lists will be open from 11:45 a.m. to 12:00 noon on 27 September 2010.

No proceedings will be taken on applications for the Shares and no allotment of any such Shares will be made until the closing of the Application Lists. No allotment of any of the Shares will be made later than 12:00 noon on 5 October 2010.

8. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The Application Lists will not open if there is:

- a tropical cyclone warning signal number 8 or above, or
- a "black" rainstorm warning signal

is in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on 27 September 2010. Instead they will be open from 11:45 a.m. and 12:00 noon on the next Business Day which does not have either of those warning signals in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon.

Business Day means a day that is not a Saturday, Sunday or a public holiday in Hong Kong and in Singapore.

Publication of Results

We expect to announce the Offer Price on 28 September 2010 on our Company's website at http://www.midas.com.sg and the website of the Stock Exchange of www.hkexnews.hk . We expect to announce an indication of the level of interest in the International Placing, levels of applications in the Hong Kong Public Offer and basis of allotment of the Hong Kong Offer Shares on 5 October 2010, in each case in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and on our Company's website at http://www.midas.com.sg and the website of the Stock Exchange at www.hkexnews.hk.

- Results of allocations for the Hong Kong Public Offer can be found in our announcement to be posted on our Company's website at http://www.midas.com.sg and the website of the Stock Exchange at www.hkexnews.hk on 5 October 2010;

- Results of allocations for the Hong Kong Public Offer will be available from our designated results of allocations website at www.iporesults.com.hk on a 24-hour basis from 8:00 a.m. on 5 October 2010 to 12:00 midnight on 11 October 2010. Search by ID function will be available on our Hong Kong Public Offer results of allocations website at www.iporesults.com.hk, or via a hyperlink from our website at http://www.midas.com.sg to our Hong Kong Public Offer results of allocations website at www.iporesults.com.hk. The user will be required to key in the Hong Kong identity card/passport/Hong Kong business registration number provided in his/her/its application to search for his/her/its own allocation result;

- Results of allocations will be available from our Hong Kong Public Offer allocation results telephone enquiry line. Applicants may find out whether or not their applications have been successful and the number of Hong Kong Offer Shares allocated to them, if any, by calling +852 2862 8669 between 9:00 a.m. and 10:00 p.m. from 5 October 2010 to 8 October 2010;

- Special allocation results booklets setting out the results of allocations will be available for inspection during opening hours of individual branches and sub-branches from 5 October 2010 to 7 October 2010 at all the receiving bank branches and sub-branches at the addresses set out in “Where to collect the **WHITE** and **YELLOW** Application Forms” under this Section.

9. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED HONG KONG OFFER SHARES

Full details of the circumstances in which you will not be allotted the Hong Kong Offer Shares are set out in the notes attached to the relevant Application Forms (whether you are making your application by an Application Form or electronically instructing HKSCC to cause HKSCC Nominees to apply on your behalf), and which you should read them carefully. You should note in particular the following situations in which the Hong Kong Offer Shares will not be allotted to you.

- **If your application is revoked:**

By completing and submitting an Application Form or giving **electronic applications** to HKSCC, you agree that your application or the application made by HKSCC on your behalf is irrevocable before 21 October 2010, such agreement to take effect as a collateral contract with the Company and to become binding when that person gives the instructions and such collateral contract to be in consideration of the Company agreeing that it will not offer any Hong Kong Offer Shares to any person before 21 October 2010, except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the Application Lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Hong Kong Companies Ordinance gives a public notice under that section which excludes or limits the responsibility of that person for this prospectus.

This agreement will take effect as a collateral contract with the Company, and will become binding when you lodge your Application Form or give your **electronic application instructions** to HKSCC or the White Form eIPO Service Provider and an application has been made by HKSCC Nominees on your behalf accordingly. This collateral contract will be in consideration of the Company agreeing that it will not offer any Hong Kong Offer Shares to any person on or before 21 October 2010 except by means of one of the procedures referred to in this prospectus.

If any supplement to the prospectus is issued, applicant(s) who have already submitted an application may or may not (depending on the information contained in the supplement) be notified that they can withdraw their applications. If applicant(s) have not been so notified, or if applicant(s) have been notified but have not withdrawn their applications in accordance with the procedure to be notified, all applications that have been submitted remain valid and may be accepted. Subject to the above, an application once made is irrevocable and applicants shall be deemed to have applied on the basis of the prospectus as supplemented.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purposes, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis or allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot, respectively.

- **Full discretion of the Company or its agents to reject or accept your application:**

The Company, the Joint Bookrunners of the Hong Kong Public Offer (for itself and on behalf of the Hong Kong Underwriters), or the designated White Form eIPO Service Provider, or their respective agents and nominees, have full discretion to reject or accept any application, or to accept any part of any application.

The Company, the Joint Bookrunners of the Hong Kong Public Offer and the Hong Kong Underwriters, in their capacity as the Company's agents, and the Company's agents and nominees do not have to give any reason for any rejection or acceptance.

- **If the allotment of Hong Kong Offer Shares is void:**

The allotment of Hong Kong Offer Shares to you or to HKSCC Nominees (if you give **electronic application instructions** to HKSCC or apply for a **YELLOW** Application Form) will be void if the Listing Committee does not grant permission to list the Shares either:

  - within **three** weeks from the closing date of the Application Lists, or
  - within a longer period of up to six weeks if the Listing Committee or the Stock Exchange **notifies** the Company of that longer period within three weeks of the closing date of the Application Lists.

- **You will not receive any allotment if:**

  - you make multiple applications or suspected multiple applications;
  - you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Hong Kong Offer Shares and the International Placing Shares. By filling in any of the **WHITE** or **YELLOW** Application Forms or applying by giving **electronic application instructions** to HKSCC or to the White Form eIPO Service Provider via the **White Form eIPO** service; you agree not to apply for Hong Kong Offer Shares as well as the International Placing Shares. Reasonable steps will be taken to identify and reject applications in the Hong Kong Public Offer from investors who have received the International Placing Shares; and to identify and reject indications of interest in the International Placing from investors who have received Hong Kong Offer Shares in the Hong Kong Public Offer;

- your Application Form is not completed correctly in accordance with the instructions as stated in the Application Form (if you apply by an Application Form);

- your **electronic application instructions** to the **White Form eIPO** service are not completed in accordance with the instructions, terms and conditions set out in the designated website at **www.eipo.com.hk**;

- your payment is not made correctly or you pay by cheque or banker's cashier order and the cheque or banker's cashier order is dishonoured upon its first presentation;

- the Hong Kong Underwriting Agreement and the International Underwriting Agreement do not become unconditional;

- the Hong Kong Underwriting Agreement and the International Underwriting Agreement are terminated in accordance with their respective terms;

- the Company or the Joint Bookrunners of the Hong Kong Public Offer believes that by accepting your application, they would violate the applicable securities or other laws, rules or regulations, or

- your application is for more than 11,000,000 Hong Kong Offer Shares.

10. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the Offer Price per Share (excluding brokerage, SFC transaction levy and Stock Exchange trading fee thereon) initially paid on application, or if the conditions of the Hong Kong Public Offer are not fulfilled in accordance with the section headed "Structure of the Global Offering – Conditions of the Global Offering" in this prospectus or if any application is revoked or any allotment pursuant thereto has become void, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and Stock Exchange trading fee, will be refunded, without interest. All such interest accrued prior to the date of despatch of refund cheques will be retained for the benefit of the Company. It is intended that special efforts will be made to avoid any undue delay in refunding application monies where appropriate.

You will receive one share certificate for all the Hong Kong Offer Shares issued to you under the Hong Kong Public Offer (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application but, subject to personal collection as mentioned below, in due course these will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form.

(a) for applications on **WHITE** Application Forms and **White Form eIPO**:

i. share certificate(s) for all Hong Kong Offer Shares applied for, if the application is wholly successful; or

ii. share certificate(s) for the number of Hong Kong Offer Shares successfully applied for, if the application is partially successful (for wholly successful and partially successful applications on **YELLOW** Application Forms; share certificates for the Shares successfully applied for will be deposited into CCASS as described below); and/or

iii. Applicants will receive one share certificate for all the Hong Kong Offer Shares allotted.

(b) for applications on **WHITE** or **YELLOW** Application Forms, refund cheque(s) crossed "Account Payee Only" in favour of the applicant (or, in the case of joint applicants, the first named applicant) (or (i) the surplus application monies for the Hong Kong Offer Shares unsuccessfully applied for, if the application is partially unsuccessful; or (ii) all the application monies, if the application is wholly unsuccessful; or (iii) the difference between the Offer Price and the maximum Offer Price paid on application in the event that the Offer Price is less than the offer price per Share initially paid on application, in each case including brokerage of 1%, SFC transaction levy of 0.003%* and Stock Exchange trading fee of 0.005%, attributable to such refund/surplus monies but without interest. Part of your Hong Kong identity card number/passport number, or, if you are joint applicants, part of the Hong Kong identity card number/passport number of the first-named applicant, provided by you may be printed on your refund cheque, if any. Such data would also be transferred to a third party for refund purpose. Your banker may require verification of your Hong Kong identity card number/passport number for encashment of your refund cheque. Inaccurate completion of your Hong Kong identity card number/passport number may lead to delay in encashment of, or may invalidate, your refund cheque.

Subject to personal collection as mentioned below, refund cheques for surplus application monies (if any) in respect of wholly and partially unsuccessful applications and the difference between the Offer Price and the offer price per Share initially paid on application (if any) under **WHITE** or **YELLOW** Application Forms; and share certificates for wholly and partially successful applicants under **WHITE** Application Forms are expected to be posted on 5 October 2010. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s).

Share certificates will only become valid certificates of title at 8:00 a.m. on 6 October 2010 provided that the Hong Kong Public Offer has become unconditional in all respects and the right of termination described in the section headed "Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offer – Grounds for Termination" in this prospectus has not been exercised.

(c) **If you apply using a WHITE APPLICATION FORM:**

If you apply for 1,000,000 or more Hong Kong Offer Shares and have indicated your intention in your **WHITE** Application Form, respectively to collect your refund cheque(s) (where applicable) and/or share certificate(s) (where applicable) from Computershare Hong Kong Investor Services Limited and have provided all information

* The SFC transaction levy will be changed from 0.004% to 0.003% on 1 October 2010.

required by your Application Form, you may collect your refund cheque(s) (where applicable) and share certificate(s) (where applicable) from Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on 5 October 2010 or such other date as notified by the Company in the newspapers as the date of collection/dispatch of refund cheques/e-Refund payment instructions/share certificates. If you are an individual who opts for personal collection, you must not authorise any other person to make collection on your behalf. If you are a corporate applicant which opts for personal collection, you must attend by your authorised representative bearing a letter of authorisation from your corporation stamped with your corporation's chop. Both individuals and authorised representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to Computershare Hong Kong Investor Services Limited. If you do not collect your refund cheque(s) (where applicable) and/or share certificate(s) (where applicable) personally within the time specified for collection, they will be sent to the address as specified in your Application Form promptly thereafter by ordinary post and at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares or if you apply for 1,000,000 Hong Kong Offer Shares or more but have not indicted on your Application Form that you will collect your refund cheque(s) (where applicable) and/or share certificate(s) (where applicable) in person, your refund cheque(s) (where applicable) and/or share certificate(s) (where applicable) will be sent to the address on your Application Form on 5 October 2010 by ordinary post and at your own risk.

(d) **If you apply using a YELLOW Application Form:**

If you apply for 1,000,000 Hong Kong Offer Shares or more and you have elected on your **YELLOW** Application Form to collect your refund cheque (where applicable) in person, please follow the same instructions as those for **WHITE** Application Form applicants as described above.

If you have applied for 1,000,000 Hong Kong Offer Shares or above and have not indicated on your Application Form that you will collect your refund cheque (if any) in person, or if you have applied for less than 1,000,000 Hong Kong Offer Shares, your refund cheque (if any) will be sent to the address on your Application Form on the date of dispatch, which is expected to be on 5 October 2010, by ordinary post and at your own risk.

If you apply for Hong Kong Offer Shares using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your CCASS Investor Participant stock account or the stock account of your designated CCASS Participant as instructed by you in your Application Form on 5 October 2010, or under contingent situation, on any other date as shall be determined by HKSCC or HKSCC Nominee.

If you are applying through a designated CCASS Participant (other than a CCASS Investor Participant):

- for Hong Kong Offer Shares credited to the stock account of your designated CCASS Participant (other than a CCASS Investor Participant), you can check the number of Hong Kong Offer Shares allocated to you with that CCASS Participant.

If you are applying as a CCASS Investor Participant:

- the Company expects to publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offer in the manner described in the section headed "How to apply for Hong Kong offer shares – Publication of results" above on 5 October 2010. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on 5 October 2010 or such other date as shall be determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your stock account.

(e) **If you apply through White Form eIPO**

If you apply for 1,000,000 Hong Kong Offer Shares or more through the **White Form eIPO** service by submitting an electronic application to the designated White Form eIPO Service Provider through the designated website at **www.eipo.com.hk** and your application is wholly or partially successful, you may collect your Share certificate(s) in person from Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on 5 October 2010.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions to the designated White Form eIPO Service Provider promptly thereafter, by ordinary post and at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your Share certificate(s) will be sent to the address specified in your application instructions to the designated White Form eIPO Service Provider through the designated website at **www.eipo.com.hk** on 5 October 2010 by ordinary post and at your own risk.

If you paid the application monies from a single bank account and your application is wholly or partially unsuccessful and/or the Offer Price is different from the initial price paid on your application, e-Refund payment instructions (if any) will be despatched to your application payment bank account on 5 October 2010.

If you used multi-bank accounts to pay the application monies and your application is wholly or partially unsuccessful and/or the Offer Price is different from the initial price paid on your application, refund check(s) will be sent to the address specified in your application instructions to the designated White Form eIPO Service Provider on 5 October 2010, by ordinary post and at your own risk.

(f) **If you apply by giving electronic application instructions to HKSCC**

Allocation of Hong Kong Offer Shares

For the purposes of allocating Hong Kong Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead each CCASS Participant who gives **electronic application instructions** or each person for whose benefit each such instructions is given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of application monies

- No temporary document of title will be issued. No receipt will be issued for application monies received.

- If your application is wholly or partially successful, your Share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of the stock account of the CCASS Participant which you have instructed to give **electronic application instructions** on your behalf or your CCASS Investor Participant Stock Account on 5 October 2010, or, in the event of a contingency, on any other date as shall be determined by HKSCC or HKSCC Nominees.

- The Company expects to make available the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, it will include information relating to the relevant beneficial owner), your Hong Kong identity card/passport number or other identification code (Hong Kong business registration number for corporation) and the basis of allotment of the Hong Kong Public Offer in the manner described in "How to Apply for Hong Kong Offer Share – Publication of Results" in this prospectus on 5 October 2010. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on 5 October 2010 or such other date as shall be determined by HKSCC or HKSCC Nominees.

- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.

- If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on 5 October 2010. Immediately after the credit of the Hong Kong Offer shares to your CCASS Investor Participant stock account and the credit of refund monies to your designated bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the offer price per Share initially paid on application, in each case including brokerage of 1%, SFC transaction levy of 0.003%* and Stock Exchange trading fee of 0.005%, will be credited to your designated bank account or the designated bank account of your broker or custodian on 5 October 2010. No interest will be paid thereon.

11. COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares are expected to commence on 6 October 2010.

The Shares will be traded in board lots of 1,000 Shares each. The stock code of the Shares is 1021.

12. SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and the Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares of the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

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* The SFC transaction levy will be changed from 0.004% to 0.003% on 1 October 2010.

The following is the text of a report, prepared for inclusion in this prospectus, received from the joint reporting accountants of the Company, BDO Limited, Certified Public Accountants, Hong Kong, and BDO LLP, Certified Public Accountants, Singapore.

21 September 2010

The Directors
Midas Holdings Limited
Credit Suisse (Hong Kong) Limited

Dear Sirs,

We set out below our report on the financial information (the "Financial Information") of Midas Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), for inclusion in the prospectus of the Company dated 21 September 2010 (the "Prospectus") in connection with the secondary listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Financial Information comprises the consolidated statements of financial position as at 31 December 2007, 2008 and 2009 and 31 March 2010, the statements of financial position of the Company as at 31 December 2007, 2008 and 2009 and 31 March 2010, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2009 and 2010 (the "Relevant Periods"), and a summary of significant accounting policies and other explanatory notes.

The Company is a public limited liability company incorporated on 17 November 2000 and domiciled in the Republic of Singapore (Registration Number: 200009758W) with its registered office and principal place of business at No. 2 Shenton Way, #04-01 SGX Centre 1, Singapore 068804. The Company is listed on 23 February 2004 in the Singapore Exchange Securities Trading Limited (the "Singapore Stock Exchange"). The principal activity of the Company is that of an investment holding. The principal activities of the Group are manufacturing and sale of aluminium alloy extrusion products, manufacturing and sale of polyethylene pipes, and trading of aluminium alloy, polyethylene pipes and related products. All companies comprising the Group have adopted 31 December as their financial year end date.

As at the date of this report, the Company has direct and indirect interests in the following subsidiaries and an associate:

Name of company	Place and date of incorporation/ establishment	Issued and fully paid-up share capital/registered capital	Attributable equity interest held by the Company		Principal activities
			Directly	Indirectly	
Subsidiaries					
North East Industries Pte Ltd	Singapore, 23 June 2000	S$2	100%	–	Investment holding
Green Oasis Pte Ltd	Singapore, 23 June 2000	S$2	100%	–	Investment holding

Name of company	Place and date of incorporation/ establishment	Issued and fully paid-up share capital/registered capital	Attributable equity interest held by the Company		Principal activities
			Directly	Indirectly	
Midas Ventures Pte Ltd	Singapore, 3 June 2004	S$2	100%	–	Trading of aluminium alloy and related products
Midas Trading (Beijing) Co., Ltd* (麥達斯貿易（北京）有限公司) ("Midas Beijing")	The People's Republic of China ("PRC"), 24 November 2005	USS$2,100,000	100%	–	Agency and trading of aluminium alloy, polyethylene pipes and other related products
Jilin Midas Aluminium Industries Co., Ltd* (吉林麥達斯鋁業有限公司) ("Jilin Midas")	PRC, 12 April 2002	US$109,000,000	–	100%	Manufacture and sale of aluminium alloy extrusion products
Shanxi Wanshida Engineering Plastic Co., Ltd* (山西萬士達工程塑料有限公司) ("Wanshida")	PRC, 19 April 2002 *(note i)*	USS$2,500,000	–	100%	Manufacture and sale of polyethylene pipes
Associate					
Nanjing SR Puzhen Rail Transport Co., Ltd** (南京南車浦鎮城軌車輛有限責任公司)	PRC, 18 October 2006	RMB340,000,000	32.5%	–	Manufacture and sale of metro trains, bogies, and their related parts

Notes:

(i) Wanshida was established as a wholly foreign owned enterprise ("WFOE") on 19 April 2002.

(ii) The English translation of the names of the companies above is for reference only. The official names of these companies are in Chinese.

* Represent WFOE

** Represent Sino-Foreign Investment Joint Enterprise

The statutory financial statements of the Company for each of the years ended 31 December 2007, 2008 and 2009, prepared in accordance with Singapore Financial Reporting Standards (which include all Singapore Financial Reporting Standards and Singapore Financial Reporting Interpretations) issued by the Singapore Accounting Standard Council, were audited by BDO LLP, Certified Public Accountants in Singapore.

The statutory audited financial statements or management financial statements of the subsidiaries and the associate of the Company were prepared in accordance with the local applicable accounting standards and regulations enforced in their respective places of incorporation/establishment. The statutory financial statements of these subsidiaries and the associate, where there is a statutory audit requirement, were audited during the Relevant Periods by the statutory auditors in their respective place of incorporation/establishment as stated below. No statutory audited financial statements have been prepared for these entities in respect of any period subsequent to 31 December 2009.

Name of company	Financial year/period	Name of auditor
Subsidiaries		
North East Industries Pte Ltd	Years ended 31 December 2007, 2008 and 2009	BDO LLP, Certified Public Accountants
Green Oasis Pte Ltd	Years ended 31 December 2007, 2008 and 2009	BDO LLP, Certified Public Accountants
Midas Ventures Pte Ltd	Years ended 31 December 2007, 2008 and 2009	BDO LLP, Certified Public Accountants
Midas Beijing	Years ended 31 December 2007 and 2008	北京嘉潤會計師事務所 (Beijing Gentlewind Certified Public Accountants Co., Ltd)
	Year ended 31 December 2009	北京安瑞普會計師事務所
Jilin Midas	Years ended 31 December 2007 and 2009	吉林正和信會計師事務所
	Year ended 31 December 2008	吉林省宏遠會計師事務所
Wanshida	Years ended 31 December 2007, 2008 and 2009	山西正大會計師事務所 (Shanxi Zhengda Certified Public Accountants, PRC)

Name of company	Financial year/period	Name of auditor
Associate		
Nanjing SR Puzhen Rail Transport Co., Ltd	Year ended 31 December 2007	利安達信隆會計師事務所 (Reanda Certified Public Accountants Co., Ltd)
	Year ended 31 December 2008	利安達會計師事務所 (Reanda Certified Public Accountants Co., Ltd)
	Year ended 31 December 2009	安永華明會計師事務所 (Ernst & Young Hua Ming)

BASIS OF PREPARATION

For the purpose of this report, the directors of the Company have prepared the consolidated financial statements of the Group in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB") for each of the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010 (the "IFRSs Financial Statements").

The IFRSs Financial Statements for each of the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010 are the first financial statements that comply with IFRSs. IFRS 1 "First-time Adoption of Financial Reporting Standards" sets out the procedures that the Group must follow when it adopts IFRSs for the first time as the basis for preparing its consolidated financial statements. The Group is required to establish its IFRSs accounting policies for the Relevant Periods and, in general, applies these retrospectively to determine the opening IFRSs statement of financial position at its date of transition, i.e. 1 January 2007 and the Group prepared its opening IFRSs statement of financial position at that date. The reporting dates of these financial statements are 31 December 2007, 2008 and 2009 and 31 March 2010. The Group's IFRSs adoption date is 1 January 2006.

For the purpose of this report, we have undertaken an independent audit of the IFRSs Financial Statements for each of the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Financial Information as set out in this report below has been prepared based on the IFRSs Financial Statements, whereas no adjustments are considered necessary, on the basis as set out in Note 1(b) to the Financial Information.

DIRECTORS' RESPONSIBILITY

The directors of the Company are responsible for the preparation and the true and fair presentation of the IFRSs Financial Statements in accordance with IFRSs.

For the Financial Information for each of the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, the directors of the Company are responsible for the preparation and the true and fair presentation of the Financial Information in accordance with IFRSs. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the Financial Information that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

For the Financial Information for the three months ended 31 March 2009, the directors of the Company are responsible for the preparation and the presentation of the Financial Information in accordance with the accounting policies set out in Note 1 of Section B below which are in conformity with IFRSs.

REPORTING ACCOUNTANTS' RESPONSIBILITY

For the Financial Information for each of the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, our responsibility is to express an opinion on the Financial Information based on our examination and to report our opinion to you. We examined the IFRSs Financial Statements used in preparing the Financial Information, and carried out such additional procedures as we considered necessary in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

For the Financial Information for the three months ended 31 March 2009, our responsibility is to express a conclusion on the financial information based on our review and to report our conclusion to you. We conducted our review in accordance with Hong Kong Standards on Review Engagements 2410 "Review of Interim financial information Performed by the Independent Auditor of the Entity". A review of the Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

OPINION AND REVIEW CONCLUSION

In our opinion, the Financial Information for each of the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, for the purpose of this report and on the basis set out in Note 1 of Section B below, gives a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2007, 2008 and 2009 and 31 March 2010, and of the consolidated results and cash flows of the Group for the respective years and period then ended.

Based on our review, which does not constitute an audit, nothing has come to our attention that causes us to believe that the Financial Information for the three months ended 31 March 2009, for the purpose of this report, is not prepared, in all material respects, in accordance with the accounting policies set out in Note 1 of Section B below which are in conformity with IFRSs.

A. FINANCIAL INFORMATION

1. Consolidated Statements of Comprehensive Income

		For the year ended 31 December			For the three months ended 31 March	
		2007	2008	2009	2009	2010
	Notes	*S$'000*	*S$'000*	*S$'000*	*S$'000* (Unaudited)	*S$'000*
Continuing operations						
Turnover	*3*	119,875	138,139	149,993	31,221	46,053
Cost of sales		(75,640)	(90,961)	(93,398)	(18,021)	(31,027)
Gross profit		44,235	47,178	56,595	13,200	15,026
Other operating income	*5*	2,069	3,334	1,898	120	181
Selling and distribution expenses		(2,962)	(3,786)	(4,709)	(712)	(1,232)
Administrative expenses		(7,608)	(8,216)	(9,808)	(1,998)	(3,346)
Finance costs	*8*	(1,937)	(2,590)	(809)	(606)	(205)
Share of result of an associate	*18*	1,256	1,915	3,314	(83)	1,661
Profit before income tax expense	*6(a)*	35,053	37,835	46,481	9,921	12,085
Income tax expense	*11*	(3,331)	(7,223)	(9,222)	(1,894)	(2,147)
Profit for the year/period from continuing operations		31,722	30,612	37,259	8,027	9,938
Discontinued operations						
Profit for the year/period from discontinued operations	*6(b)*	192	2,065	282	495	–
Profit for the year/period		31,914	32,677	37,541	8,522	9,938
Other comprehensive income:						
Translation differences relating to financial statements of foreign subsidiaries		327	10,517	(7,161)	10,373	(682)
Deferred tax arising from translation differences		–	(419)	–	–	–
Other comprehensive income for the year/period		327	10,098	(7,161)	10,373	(682)
Total comprehensive income for the year/period		32,241	42,775	30,380	18,895	9,256
Basic earnings per share (S cents)	*14*	3.78	3.87	4.18	1.01	1.03
– From continuing operations		3.76	3.62	4.15	0.95	1.03
– From discontinued operations		0.02	0.25	0.03	0.06	–
Diluted earnings per share (S cents)	*14*	3.73	3.86	4.18	1.01	1.03
– From continuing operations		3.71	3.62	4.15	0.95	1.03
– From discontinued operations		0.02	0.24	0.03	0.06	–

2. Consolidated Statements of Financial Position

		As at 31 December			As at 31 March
		2007	2008	2009	2010
	Notes	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Non-current assets					
Property, plant and equipment	*15*	70,467	111,854	194,605	220,401
Land use rights	*16*	2,902	2,999	18,285	18,137
Interest in an associate	*18*	30,989	31,917	33,414	35,075
Available-for-sale financial assets	*19*	–	–	411	410
Prepaid rental	*20*	28	28	26	26
Pledged bank deposits	*21*	5,005	2,090	14,048	11,860
		109,391	148,888	260,789	285,909
Current assets					
Inventories	*22*	19,590	15,665	17,706	21,969
Trade and other receivables	*23*	40,024	67,473	54,934	54,462
Tax recoverable		–	–	–	102
Cash and cash equivalents	*24*	51,666	32,406	101,223	94,519
		111,280	115,544	173,863	171,052
Current liabilities					
Trade and other payables	*25*	15,341	30,358	13,459	22,504
Bank borrowings	*26*	18,373	14,742	80,104	82,984
Dividends payable		4,226	2,111	2,411	2,411
Income tax payable		1,157	673	783	–
		39,097	47,884	96,757	107,899
Net current assets		72,183	67,660	77,106	63,153
Total assets less current liabilities		181,574	216,548	337,895	349,062
Non-current liabilities					
Bank borrowings	*26*	–	6,327	16,646	20,910
Deferred tax liability	*27*	–	419	415	415
		–	6,746	17,061	21,325
Net assets		181,574	209,802	320,834	327,737
Capital and reserves					
Share capital	*28(a)*	131,014	131,237	220,696	220,696
Treasury shares	*28(b)*	–	(518)	(518)	(518)
Foreign currency translation reserve	*30*	(6,365)	3,733	(3,428)	(4,110)
PRC statutory reserve	*31*	11,013	14,547	18,234	19,144
Share option reserve	*32*	1,996	2,525	3,062	3,120
Retained earnings		43,916	58,278	82,788	89,405
Total equity attributable to owners of the Company		181,574	209,802	320,834	327,737

3. Statements of Financial Position of the Company

		As at 31 December			As at 31 March
		2007	2008	2009	2010
	Notes	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Non-current assets					
Property, plant and equipment	*15*	4	6	3	4
Interests in subsidiaries	*17*	108,199	105,673	188,766	192,617
Interest in an associate	*18*	29,733	29,733	29,733	29,733
		137,936	135,412	218,502	222,354
Current assets					
Other receivables	*23*	354	1,079	2,335	3,604
Cash and cash equivalents	*24*	71	71	6,620	751
		425	1,150	8,955	4,355
Current liabilities					
Other payables	*25*	71	120	105	19
Dividends payable		4,226	2,111	2,411	2,411
		4,297	2,231	2,516	2,430
Net current (liabilities)/assets		(3,872)	(1,081)	6,439	1,925
Total assets less current liabilities		134,064	134,331	224,941	224,279
Capital and reserves					
Share capital	*28(a)*	131,014	131,237	220,696	220,696
Treasury shares	*28(b)*	–	(518)	(518)	(518)
Share option reserve	*32*	1,996	2,525	3,062	3,120
Retained earnings	*29*	1,054	1,087	1,701	981
Total equity		134,064	134,331	224,941	224,279

4. Consolidated Statements of Changes in Equity

	Share capital (note 28(a))	Treasury shares (note 28(b))	Foreign currency translation reserve (note 30)	PRC statutory reserve (note 31)	Share option reserve (note 32)	Retained earnings	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 January 2007	128,878	–	(6,692)	7,366	799	32,543	162,894
Profit for the year	–	–	–	–	–	31,914	31,914
Translation differences relating to financial statements of foreign subsidiaries	–	–	327	–	–	–	327
Total comprehensive income for the year	–	–	327	–	–	31,914	32,241
Transfer to general reserve	–	–	–	3,647	–	(3,647)	–
Issue of shares – Option shares	1,710	–	–	–	–	–	1,710
Transfer of option reserve to share capital upon exercise of ESOS	426	–	–	–	(426)	–	–
Dividends	–	–	–	–	–	(16,894)	(16,894)
Share-based payment expense	–	–	–	–	1,623	–	1,623
Balance at 31 December 2007 and 1 January 2008	131,014	–	(6,365)	11,013	1,996	43,916	181,574
Profit for the year	–	–	–	–	–	32,677	32,677
Translation differences relating to financial statements of foreign subsidiaries	–	–	10,517	–	–	–	10,517
Deferred tax arising from translation differences	–	–	(419)	–	–	–	(419)
Total comprehensive income for the year	–	–	10,098	–	–	32,677	42,775
Transfer to general reserve	–	–	–	3,534	–	(3,534)	–
Issue of shares – Option shares	175	–	–	–	–	–	175
Repurchase of shares and held as treasury shares	–	(518)	–	–	–	–	(518)
Transfer of option reserve to share capital upon exercise of ESOS	48	–	–	–	(48)	–	–
Dividends	–	–	–	–	–	(14,781)	(14,781)
Share-based payment expense	–	–	–	–	577	–	577
Balance at 31 December 2008 and 1 January 2009	131,237	(518)	3,733	14,547	2,525	58,278	209,802
Profit for the year	–	–	–	–	–	37,541	37,541
Translation differences relating to financial statements of foreign subsidiaries	–	–	(7,161)	–	–	–	(7,161)

	Share capital (note 28(a))	Treasury shares (note 28(b))	Foreign currency translation reserve (note 30)	PRC statutory reserve (note 31)	Share option reserve (note 32)	Retained earnings	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Total comprehensive income for the year	–	–	(7,161)	–	–	37,541	30,380
Transfer to general reserve	–	–	–	3,687	–	(3,687)	–
Issue of shares – Placement	89,459	–	–	–	–	–	89,459
Dividends	–	–	–	–	–	(9,344)	(9,344)
Share-based payment expense	–	–	–	–	537	–	537
Balance at 31 December 2009	220,696	(518)	(3,428)	18,234	3,062	82,788	320,834
Balance at 1 January 2010	220,696	(518)	(3,428)	18,234	3,062	82,788	320,834
Profit for the period	–	–	–	–	–	9,938	9,938
Translation differences relating to financial statements of foreign subsidiaries	–	–	(682)	–	–	–	(682)
Total comprehensive income for the period	–	–	(682)	–	–	9,938	9,256
Transfer to general reserve	–	–	–	910	–	(910)	–
Dividends	–	–	–	–	–	(2,411)	(2,411)
Equity settled share-based transaction	–	–	–	–	58	–	58
Balance at 31 March 2010	220,696	(518)	(4,110)	19,144	3,120	89,405	327,737
(Unaudited)							
Balance at 1 January 2009	131,237	(518)	3,733	14,547	2,525	58,278	209,802
Profit for the period	–	–	–	–	–	8,522	8,522
Translation differences relating to financial statements of foreign subsidiaries	–	–	10,373	–	–	–	10,373
Total comprehensive income for the period	–	–	10,373	–	–	8,522	18,895
Transfer to general reserve	–	–	–	926	–	(926)	–
Dividends	–	–	–	–	–	(2,111)	(2,111)
Equity settled share-based transaction	–	–	–	–	123	–	123
Balance at 31 March 2009	131,237	(518)	14,106	15,473	2,648	63,763	226,709

5. Consolidated Statements of Cash Flows

		For the year ended 31 December			For the three months ended 31 March	
		2007	2008	2009	2009	2010
	Note	*S$'000*	*S$'000*	*S$'000*	*S$'000* (Unaudited)	*S$'000*
Cash flows from operating activities						
Profit before income tax expense		35,053	37,835	46,481	9,921	12,085
Profit before tax from discontinued operations		266	2,880	384	664	–
		35,319	40,715	46,865	10,585	12,085
Adjustments for:						
Depreciation of property, plant and equipment		6,207	7,939	10,503	2,394	2,453
Allowance for doubtful trade receivables		5	94	–	–	–
Write-back of allowance for doubtful trade receivables		(2)	–	(212)	–	–
Bad debts written off		–	–	415	–	–
Amortisation of prepaid rental and land use rights		45	101	341	28	105
Loss on disposal of property, plant and equipment, net		98	4	150	–	–
Write-off of property, plant and equipment		9	–	–	–	–
Impairment loss on property, plant and equipment		–	–	1,205	–	–
Write-down of obsolete inventories		–	–	180	–	–
Share-based payment expense		1,623	577	537	123	58
Share of result of an associate		(1,256)	(1,915)	(3,314)	83	(1,661)
Interest expenses		1,865	2,445	602	579	196
Interest income		(177)	(209)	(144)	(24)	(59)
Operating profit before changes in working capital		43,736	49,751	57,128	13,768	13,177
Changes in working capital:						
(Increase)/decrease in inventories		(9,786)	3,925	(2,221)	296	(4,263)
Decrease/(increase) in trade and other receivables		3,466	(26,556)	14,153	1,395	472
Increase/(decrease) in trade and other payables		730	15,436	(16,899)	3,715	9,045
Cash generated from operations		38,146	42,556	52,161	19,174	18,431
Interest paid		(1,865)	(2,445)	(602)	(579)	(196)
Interest received		177	209	144	24	59
Income tax paid		(2,431)	(8,522)	(9,214)	(2,263)	(3,032)
Net cash from operating activities		34,027	31,798	42,489	16,356	15,262

		For the year ended 31 December			For the three months ended 31 March	
		2007	2008	2009	2009	2010
	Note	*S$'000*	*S$'000*	*S$'000*	*S$'000* (Unaudited)	*S$'000*
Cash flows from investing activities						
Proceeds from disposal of property, plant and equipment		45	–	1,522	–	–
Purchase of property, plant and equipment		(12,723)	(43,226)	(99,435)	(17,376)	(27,601)
Investment in an associate		(4)	–	–	–	–
Decrease/(increase) in pledged bank deposits		361	2,915	(11,958)	(53)	2,188
Purchase of land use rights		(318)	–	(16,256)	–	–
Investment in available-for-sale financial assets		–	–	(411)	–	–
Interest paid		–	–	(2,646)	–	(1,313)
Net cash used in investing activities		(12,639)	(40,311)	(129,184)	(17,429)	(26,726)
Cash flows from financing activities						
Net proceeds from issuance of ordinary shares		1,710	175	89,459	–	–
Dividends paid		(12,668)	(16,896)	(9,044)	(2,111)	(2,411)
Purchase of treasury shares		–	(518)	–	–	–
Decrease in amount due to a director		(6,203)	–	–	–	–
Proceed from bank borrowings		4,601	5,272	114,479	11,119	26,980
Repayment of bank borrowings		(2,946)	(3,712)	(38,260)	–	(19,186)
Net cash (used in)/from financing activities		(15,506)	(15,679)	156,634	9,008	5,383
Net increase/(decrease) in cash and cash equivalents		5,882	(24,192)	69,939	7,935	(6,081)
Cash and cash equivalents at beginning of the year/period		49,944	51,666	32,406	32,406	101,223
Net effect of exchange rate changes in cash and cash equivalents		(4,160)	4,932	(1,122)	2,365	(623)
Cash and cash equivalents at end of the year/period, comprising bank balances and cash	*24*	51,666	32,406	101,223	42,706	94,519

B. NOTES TO THE FINANCIAL INFORMATION

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Financial Information are set out below. These policies have been consistently applied throughout the Relevant Periods.

(a) Statement of compliance

The Financial Information of the Relevant Periods set out in this report has been prepared in accordance with International Financial Reporting Standards ("IFRSs"), including all applicable individual International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS") and Interpretations, issued by the IASB and the International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB. For the purpose of preparing and presenting the Financial Information, the Group has applied all the new or revised IFRSs that are effective for accounting period beginning on or after 1 January 2010.

In addition, the Financial Information complies with the applicable disclosure requirements of the Hong Kong Companies Ordinance and of the Rules Governing the Listing of Securities on the Stock Exchange.

(b) Basis of preparation

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (the "functional currency"). The Financial Information are presented in Singapore dollars ("S$"), which is the functional currency of the Company.

The Financial Information has been prepared under the historical cost basis except as disclosed in the accounting policies below.

The preparation of Financial Information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the Financial Information are disclosed in note 2 to the Financial Information.

The Group has not early adopted the following new/revised IFRSs issued by the IASB that are not yet effective, but potentially relevant to the Group.

IFRSs (Amendments)	Improvements to IFRSs 2010[1]
Amendments to IAS 32	Classification of Rights Issues[2]
Amendments to IFRS 1	Limited Exemption from Comparative IFRS 7 for First-time Adopters[3]
Amendment to IFRIC – Interpretation 14	Prepayments of a Minimum Funding Requirement[4]
IFRIC – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments[3]
IAS 24 (Revised)	Related Party Disclosures[4]
IFRS 9	Financial Instruments[5]

[1] Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate

[2] Effective for annual periods beginning on or after 1 February 2010

[3] Effective for annual periods beginning on or after 1 July 2010

[4] Effective for annual periods beginning on or after 1 January 2011

[5] Effective for annual periods beginning on or after 1 January 2013

IAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government.

IFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace IAS 39 "Financial Instruments: Recognition and Measurement". This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirement of IAS 39.

Except for the above-mentioned standards or interpretations, the Group is in the process of making an assessment of the potential impact of these standards, amendments or interpretations and the directors so far concluded that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

(c) Basis of consolidation

The Financial Information comprises the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies are eliminated in full on consolidation.

On acquisition of subsidiaries, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. The interest of minority shareholders is initially measured at the minority's proportionate share of the fair values of the acquiree's identifiable assets and liabilities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate.

(d) Property, plant and equipment

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

The cost of property, plant and equipment comprises its purchase price and any direct attributable cost of bringing the property, plant and equipment to the location and condition necessary for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Depreciation is charged so as to write off the cost of property, plant and equipment to their residual values over their estimated useful lives, using the straight-line method on the following bases:

	Annual depreciation rates
Buildings and improvements	3% to 5%
Plant, equipment and mould	5% to 20%
Motor vehicles	10% to 20%
Office equipment	10%

Construction-in-progress is stated at cost less impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalised during the periods of construction and installation. Capitalisation of these costs ceases and the construction-in-progress is transferred to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction-in-progress until it is completed and ready for its intended use.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

(e) Subsidiaries

Subsidiaries are entities over which the Company has power to govern the financial and operating policies, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Investments in subsidiaries are accounted for at cost in the statements of financial position of the Company less any accumulated impairment losses.

(f) Associate

An associate is an entity over which the Group has significant influence, but not control, and generally accompanied by a shareholding giving rise to between and including 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associate are incorporated in the Financial Information using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after assessment, is recognised immediately in profit or loss.

Where a Group entity transacts with an associate of the Group, profit and losses are eliminated to the extent of the Group's interest in the relevant associate.

The financial statements of the associate are prepared as of the same reporting date as the Company.

In the Company's statement of financial position, investment in an associate is carried at cost less accumulated impairment losses.

(g) Land use right

Land use right is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated on the straight-line basis to write off the cost of land use right over the lease terms.

(h) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- land use right; and
- interests in subsidiaries and an associate

If any such indication of impairment loss exists, the asset's recoverable amount is estimated. Recoverable amount is determined for individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life, discounted at a pre-tax rate that reflects current market assessments of the time value of the money and the risks specific to the asset or cash-generating unit for which the future cash flow estimates have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised as income immediately.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less all estimated cost of completion and cost to be incurred in marketing, selling and distribution.

(j) Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets

The Group classifies its financial assets as loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of these financial assets, which are initially measured at fair value plus transaction costs that are directly attributable to the acquisition.

Loans and receivables

These assets, including trade receivable, loans and other receivables, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

These assets are non-derivative financial assets that are designated as available for sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income until the financial asset is derecognised, except for impairment losses, foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses.

Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtors' financial difficulty;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

For loans and receivables

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

For available-for-sale financial assets

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognised directly in other comprehensive income.

For available-for-sale equity investment that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities

Financial liabilities include trade and other payables and bank borrowings. They are initially recognised at fair value, net of directly attributable transaction costs incurred and subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the Relevant Periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

Equity instruments and treasury shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in the statement of comprehensive income on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares is deducted against the share capital account if the shares are purchased out of capital of the Company, or against the accumulated profits of the Company if the shares are purchased out of profits of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. On derecognition of a financial liability, the difference between the carrying amount and consideration paid is recognised in profit or loss.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(l) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods and retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Commission income is recognised on the rendering of agency related services.

Dividend income from investments is recognised when the shareholders' right to receive payment has been established.

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(o) Operating leases

When the Group is the lessee:

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the period of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases, if any, are recognised as an expense in the period in which they are incurred.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(p) Employee benefits

Defined contribution plans

The Company makes contributions to the Central Provident Fund Scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

Pursuant to the relevant regulations of the PRC government, the subsidiaries in the PRC have each participated in a local municipal government retirement benefits scheme (the "Scheme"), whereby the subsidiaries in the PRC are required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the subsidiaries in the PRC. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above.

Contributions under the Scheme are recognised as an expense as incurred. There is no provision under the Scheme whereby forfeited contributions may be used to reduce future contributions.

Share-based payment

The Group operates an equity-settled share-based compensation plan.

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss with a corresponding increase in the share option reserve over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised as an expense over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the fair value of goods and services received is recognised in profit or loss unless the goods or services qualify for recognition as an asset.

Fair value is measured using the Hull-White pricing model. Under this pricing model, the fair value take into account the impact of events, such as the early exercise of options by employees or employee exit rates after vesting, which occur during the term of the option. The exit rate is defined as the probability that an employee will leave the Company during the vesting period. The Hull-White model also incorporates the employee's early exercise strategy or possibility of the employee's termination after the vesting period. It assumes that early exercise may occur when the stock price is a certain multiple of the exercise price. The exercise multiple is defined as the average ratio of the stock price to the exercise price at the time of exercise.

(q) Income tax expense

Income tax expense for the year comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income, in which case such income tax is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted by the end of each reporting period, and any adjustment to income tax payable in respect of previous year.

Deferred tax is provided using the liability method for temporary differences at the end of each reporting period between the carrying amounts and tax bases of assets and liabilities in the financial statements. The amount of deferred tax provided is based on the manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted by the end of each reporting period. Deferred tax liabilities are generally recognised for all taxable temporary differences.

A deferred tax liability is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that is has become probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against tax liabilities when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(r) Dividends

Dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

Dividends proposed or declared after the end of each reporting period, are not recognised as a liability at the end of each reporting period.

(s) Foreign currencies

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of each reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which case, the exchange differences are also recognised directly in other comprehensive income.

On consolidation, the results of foreign operations are translated into the presentation currency of the Group (i.e. Singapore dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of each reporting period. The exchange differences arising on the translation are recognised directly in other comprehensive income and accumulated as foreign exchange reserve. Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to the foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Critical judgements made in applying the accounting policies

The following are the critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Financial Information.

(i) Impairment of financial assets

The Group follows the guidance of IAS 39 "Financial Instruments: Recognition and Measurement" on determining whether a financial asset is impaired. This determination requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost and the financial health of and near-term business outlook for the financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(ii) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Depreciation of property, plant and equipment

These assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 5 to 30 years. The carrying amounts of the Group's property, plant and equipment as at 31 December 2007, 2008 and 2009 and 31 March 2010 were approximately S$70,467,000, S$111,854,000, S$194,605,000 and S$220,401,000. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income taxes

The Group has exposure to income taxes in the People's Republic of China and Singapore. Due to its inherent nature, judgement is involved in determining the Group's provisions for income taxes.

The Group recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made. The carrying amount of the Group's current tax liabilities as at 31 December 2007, 2008 and 2009 was approximately S$1,157,000, S$673,000 and S$783,000. The carrying amount of the Group's current tax recoverable as at 31 March 2010 was approximately S$102,000.

(iii) Equity-settled share-based payments

The charge for equity-settled share-based payment is calculated in accordance with estimates and assumptions which are described in note 32 to the Financial Information. The option valuation model used requires highly subjective assumptions to be made including the future volatility of the Company's share price, expected dividend yields, risk-free interest rates and expected staff turnover. The management draws upon a variety of external sources to aid them in determination of the appropriate data to use in such calculations. The carrying amounts of share-based payments expense for the Group and Company for the years ended 31 December 2007, 2008 and 2009 and 31 March 2009 and 2010 was S$1,623,000, S$577,000, S$537,000, S$123,000 and S$58,000.

3. TURNOVER

Revenue recognised as turnover of the Group is as follows:

	For the year ended 31 December			For the three months ended 31 March	
	2007	2008	2009	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000* (Unaudited)	*S$'000*
Continuing operations					
Sales of aluminium alloy extrusion products	106,406	126,702	143,030	29,730	44,515
Sales of polyethylene pipes	13,469	11,437	6,963	1,491	1,538
	119,875	138,139	149,993	31,221	46,053
Discontinued operations					
Agency and procurement of aluminium alloy, polyethylene pipes and related products	19,033	6,336	954	991	–
	138,908	144,475	150,947	32,212	46,053

4. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has three reportable segments, of which the Agency and Procurement Division has discontinued its operations during the year ended 31 December 2009. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Aluminium Alloy Division – manufacturing and sale of aluminium alloy extrusion products;
- Polyethylene Pipe Division – manufacturing and sale of polyethylene pipes;
- Agency and Procurement Division – agency and procurement of aluminium alloy, polyethylene pipes and other related products.

Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-makers for assessment of segment performance.

Business segments

	Continuing operations			
	Aluminium Alloy Division	Polyethylene Pipe Division	Unallocated	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*
Three months ended 31 March 2010				
Turnover	44,515	1,538	–	46,053
Result				
Segment result	11,428	27	–	11,455
Unallocated corporate expenses	–	–	(826)	(826)
Finance costs	(190)	(15)	–	(205)
Share of result of an associate	–	–	1,661	1,661
Profit before income tax expense	11,238	12	835	12,085
Other information				
Additions of property, plant and equipment	28,914	–	–	28,914
Depreciation of property, plant and equipment	(2,244)	(203)	(6)	(2,453)
Amortisation of land use rights and prepaid rental	(101)	(4)	–	(105)

	Continuing operations				Discontinued operations	
	Aluminium Alloy Division	Polyethylene Pipe Division	Unallocated	Sub-total	Agency & Procurement Division	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Three months ended 31 March 2009 (Unaudited)						
Turnover	29,730	1,491	–	31,221	991	32,212
Result						
Segment result	11,049	204	–	11,253	664	11,917
Unallocated corporate expenses	–	–	(643)	(643)	–	(643)
Finance costs	(564)	(42)	–	(606)	–	(606)
Share of result of an associate	–	–	(83)	(83)	–	(83)
Profit before income tax expense	10,485	162	(726)	9,921	664	10,585
Other information						
Additions of property, plant and equipment	17,375	1	–	17,376	–	17,376
Depreciation of property, plant and equipment	(2,125)	(237)	–	(2,362)	(32)	(2,394)
Amortisation of land use rights and prepaid rental	(24)	(4)	–	(28)	–	(28)
Year ended 31 December 2009						
Turnover	143,030	6,963	–	149,993	954	150,947
Result						
Segment result	46,732	497	–	47,229	385	47,614
Unallocated corporate expenses	–	–	(3,253)	(3,253)	–	(3,253)
Finance costs	(636)	(173)	–	(809)	(1)	(810)
Share of profits of an associate	–	–	3,314	3,314	–	3,314
Profit before income tax expense	46,096	324	61	46,481	384	46,865

	Continuing operations				Discontinued operations	
	Aluminium Alloy Division	Polyethylene Pipe Division	Unallocated	Sub-total	Agency & Procurement Division	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Other information						
Impairment loss on property, plant and equipment	(1,205)	–	–	(1,205)	–	(1,205)
Additions of property, plant and equipment	102,040	23	1	102,064	17	102,081
Depreciation of property, plant and equipment	(9,549)	(857)	(3)	(10,409)	(94)	(10,503)
Amortisation of land use rights and prepaid rental	(323)	(18)	–	(341)	–	(341)
Year ended 31 December 2008						
Turnover	126,702	11,437	–	138,139	6,336	144,475
Result						
Segment result	39,845	1,473	–	41,318	2,881	44,199
Unallocated corporate expenses	–	–	(2,808)	(2,808)	–	(2,808)
Finance costs	(2,326)	(264)	–	(2,590)	(1)	(2,591)
Share of profits of an associate	–	–	1,915	1,915	–	1,915
Profit/(loss) before income tax expense	37,519	1,209	(893)	37,835	2,880	40,715
Other information						
Additions of property, plant and equipment	43,175	27	6	43,208	18	43,226
Depreciation of property, plant and equipment	(6,987)	(808)	(4)	(7,799)	(140)	(7,939)
Amortisation of land use rights and prepaid rental	(84)	(17)	–	(101)	–	(101)

	Continuing operations				Discontinued operations	
	Aluminium Alloy Division	Polyethylene Pipe Division	Unallocated	Sub-total	Agency & Procurement Division	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Year ended 31 December 2007						
Turnover	106,406	13,469	–	119,875	19,033	138,908
Result						
Segment result	36,784	2,677	–	39,461	302	39,763
Unallocated corporate expenses	–	–	(3,727)	(3,727)	–	(3,727)
Finance costs	(1,573)	(364)	–	(1,937)	(36)	(1,973)
Share of profits of an associate	–	–	1,256	1,256	–	1,256
Profit/(loss) before income tax expense	35,211	2,313	(2,471)	35,053	266	35,319
Other information						
Additions of property, plant and equipment	12,149	36	5	12,190	533	12,723
Depreciation of property, plant and equipment	(5,294)	(785)	(2)	(6,081)	(126)	(6,207)
Amortisation of land use rights and prepaid rental	(28)	(17)	–	(45)	–	(45)

	Continuing operations			
	Aluminium Alloy Division	Polyethylene Pipe Division	Unallocated	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*
31 March 2010				
Assets				
Segment assets	382,683	34,543	4,660	421,886
Interest in an associate	–	–	35,075	35,075
	382,683	34,543	39,735	456,961
Liabilities				
Segment liabilities	123,235	3,454	2,535	129,224

	Continuing operations				Discontinued operations	
	Aluminium Alloy Division	Polyethylene Pipe Division	Unallocated	Sub-total	Agency & Procurement Division	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
31 December 2009						
Assets						
Segment assets	357,712	34,240	8,975	400,927	311	401,238
Interest in an associate	–	–	33,414	33,414	–	33,414
	357,712	34,240	42,389	434,341	311	434,652
Liabilities						
Segment liabilities	108,081	3,159	2,536	113,776	42	113,818
31 December 2008						
Assets						
Segment assets	180,514	37,198	1,173	218,885	13,630	232,515
Interest in an associate	–	–	31,917	31,917	–	31,917
	180,514	37,198	33,090	250,802	13,630	264,432
Liabilities						
Segment liabilities	47,050	4,042	2,215	53,307	1,323	54,630
31 December 2007						
Assets						
Segment assets	138,705	7,635	439	146,779	42,903	189,682
Interest in an associate	–	–	30,989	30,989	–	30,989
	138,705	7,635	31,428	177,768	42,903	220,671
Liabilities						
Segment liabilities	28,225	1,098	4,245	33,568	5,529	39,097

No geographical segment information is presented because over 90% of the Group's turnover is derived from customers based in the PRC and over 90% of the Group's assets are located in the PRC.

The following is an analysis of the Group's turnover from its major customers during the Relevant Periods. These turnovers are attributable to the Aluminium Alloy Division.

	For the year ended 31 December			For the three months ended 31 March	
	2007	2008	2009	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000* (Unaudited)	*S$'000*
Customer A	N/A	38,217	23,736	8,286	5,689
Customer B	17,836	14,917	21,855	6,101	12,837
Customer C	17,802	N/A	N/A	3,159	4,716
Customer D	N/A	15,341	16,109	N/A	5,139
Customer E	N/A	N/A	15,923	3,545	N/A

5. OTHER OPERATING INCOME

	For the year ended 31 December			For the three months ended 31 March	
	2007	2008	2009	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000* (Unaudited)	*S$'000*
Continuing operations					
Commission income	323	–	101	48	–
Foreign exchange gains/(losses)	116	(200)	348	–	–
(Loss)/income from disposal of scrap materials	(69)	163	306	48	122
Interest income	157	208	144	24	59
Reinvestment tax refunds *(note i)*	1,510	3,031	692	–	–
Sundry income	32	132	307	–	–
	2,069	3,334	1,898	120	181

Note:

(i) There are no unfulfilled conditions or contingencies relating to the reinvestment tax refunds.

6. PROFIT BEFORE INCOME TAX EXPENSE

(a) Profit before income tax expense from continuing operations is arrived at after charging/(crediting):

	For the year ended 31 December			For the three months ended 31 March	
	2007	**2008**	**2009**	**2009**	**2010**
	S$'000	***S$'000***	***S$'000***	***S$'000*** (Unaudited)	***S$'000***
Auditors' remuneration	170	227	208	–	–
Depreciation of property, plant and equipment	6,081	7,799	10,409	2,394	2,453
Allowance for doubtful trade receivables	5	94	–	–	–
Write-back of allowance for doubtful trade receivables	(2)	–	(212)	–	–
Bad debts written off	–	–	415	–	–
Amortisation of prepaid rental and land use rights	45	101	341	28	105
Loss on disposal of property, plant and equipment, net	93	4	158	–	–
Write-off of property, plant and equipment	9	–	–	–	–
Impairment loss on property, plant and equipment	–	–	1,205	–	–
Write-down of obsolete inventories	–	–	180	–	–
Operating lease rentals – properties	209	226	219	55	50

(b) Discontinued operations

In March 2009, the Group ceased its business of agency and procurement division. The turnover, results and cash flows of agency and procurement division were as follows:

	For the year ended 31 December			For the three months ended 31 March	
	2007	**2008**	**2009**	**2009**	**2010**
	S$'000	***S$'000***	***S$'000***	***S$'000*** (Unaudited)	***S$'000***
Profit for the year from discontinued operations					
Turnover *(note 3)*	19,033	6,336	954	991	–
Cost of sales	(18,042)	(2,619)	(178)	(185)	–
Gross profit	991	3,717	776	806	–
Other operating income	368	2	–	–	–
Selling and distribution expenses	(251)	(96)	–	(24)	–
Administrative expenses	(806)	(742)	(391)	(118)	–
Finance costs	(36)	(1)	(1)	–	–
Profit before income tax expense	266	2,880	384	664	–
Income tax expense	(74)	(815)	(102)	(169)	–
Profit for the year/period from discontinued operations	192	2,065	282	495	–

	For the year ended 31 December			For the three months ended 31 March	
	2007	2008	2009	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000* (Unaudited)	*S$'000*
Cash flows from discontinued operations					
Net cash outflows from operating activities	(10,716)	(785)	(1,384)	(255)	–
Net cash inflows/(outflows) from investing activities	6,444	(18)	(9)	–	–
Net cash outflows	(4,272)	(803)	(1,393)	(255)	–

7. STAFF COSTS

	For the year ended 31 December			For the three months ended 31 March	
	2007	2008	2009	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000* (Unaudited)	*S$'000*
Continuing operations					
Staff costs (including directors' emoluments) comprise:					
Salaries, allowance and bonuses	2,965	4,552	6,514	1,360	2,319
Contribution to defined contributions plans	398	769	1,202	221	350
Share-based payment expense *(note 32)*	1,623	577	537	123	58
	4,986	5,898	8,253	1,704	2,727

8. FINANCE COSTS

	For the year ended 31 December			For the three months ended 31 March	
	2007	2008	2009	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000* (Unaudited)	*S$'000*
Continuing operations					
Interest on bank borrowings					
Wholly repayable within five years	1,330	1,591	2,848	322	1,140
Not wholly repayable within five years	–	–	119	99	290
	1,330	1,591	2,967	421	1,430
Bank charges	72	145	207	27	9
Interest on discounted notes receivables	535	854	281	158	79
Total borrowing costs	1,937	2,590	3,455	606	1,518
Less: Amount capitalised *(note i)*	–	–	(2,646)	–	(1,313)
	1,937	2,590	809	606	205

Note:

(i) Borrowing costs capitalised during the years/periods arose on the specific and general borrowing pools. The borrowing costs capitalised arising from the general borrowing pools are calculated by applying a capitalisation rate of 5.59% and 5.38% to expenditure on qualifying assets for the year ended 31 December 2009 and the three months ended 31 March 2010 respectively.

9. DIRECTORS' EMOLUMENTS

The aggregate amounts of directors' emoluments are as follows:

	For the year ended 31 December 2007				
	Fee	Retirement benefits scheme contributions	Other emoluments (mainly basic salaries, bonus and allowances)	Equity-settled share-based payment expense	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Executive directors					
Chen Wei Ping	–	7	384	150	541
Chew Hwa Kwang, Patrick .	–	8	324	150	482
Independent non-executive directors					
Chew Chin Hua	40	–	–	121	161
Chan Soo Sen	40	–	–	81	121
Gay Chee Cheong *(note i)* . .	40	–	–	121	161
	120	15	708	623	1,466

	For the year ended 31 December 2008				
	Fee	Retirement benefits scheme contributions	Other emoluments (mainly basic salaries, bonus and allowances)	Equity-settled share-based payment expenses	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Executive directors					
Chen Wei Ping	–	7	384	–	391
Chew Hwa Kwang, Patrick .	–	8	324	–	332
Independent non-executive directors					
Chew Chin Hua	40	–	–	52	92
Chan Soo Sen	40	–	–	52	92
Gay Chee Cheong *(note i)* . .	40	–	–	–	40
	120	15	708	104	947

	For the year ended 31 December 2009				
	Fee	Retirement benefits scheme contributions	Other emoluments (mainly basic salaries, bonus and allowances)	Equity-settled share-based payment expenses	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Executive directors					
Chen Wei Ping	–	8	447	–	455
Chew Hwa Kwang, Patrick .	–	8	378	–	386
Independent non-executive directors					
Chew Chin Hua	40	–	–	25	65
Chan Soo Sen	40	–	–	25	65
Non-executive director					
Tong Wei Min, Raymond . .	40	–	–	25	65
	120	16	825	75	1,036

	For the three months ended 31 March 2009 (Unaudited)				
	Fee	Retirement benefits scheme contributions	Other emoluments (mainly basic salaries, bonus and allowances)	Equity-settled share-based payment expenses	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Executive directors					
Chen Wei Ping	–	2	96	–	98
Chew Hwa Kwang, Patrick .	–	2	81	–	83
Independent non-executive directors					
Chew Chin Hua	–	–	–	5	5
Chan Soo Sen	–	–	–	5	5
Non-executive director					
Tong Wei Min, Raymond . .	–	–	–	5	5
	–	4	177	15	196

	For the three months ended 31 March 2010				
	Fee	**Retirement benefits scheme contributions**	**Other emoluments (mainly basic salaries, bonus and allowances)**	**Equity-settled share-based payment expenses**	**Total**
	S$'000	***S$'000***	***S$'000***	***S$'000***	***S$'000***
Executive directors					
Chen Wei Ping	–	2	144	–	146
Chew Hwa Kwang, Patrick .	–	2	122	–	124
Independent non-executive directors					
Chew Chin Hua	–	–	–	2	2
Chan Soo Sen	–	–	–	2	2
Non-executive director					
Tong Wei Min, Raymond . .	–	–	–	2	2
	–	4	266	6	276

Note:

(i) Gay Chee Cheong resigned on 15 November 2008.

There were no amounts paid during the Relevant Periods to the directors and the five highest paid individuals set out in note 10 below as an inducement to join or upon joining the Group or as compensation for loss of office. Also, there was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Periods.

10. FIVE HIGHEST PAID INDIVIDUALS

Of the five highest paid individuals, Chen Wei Peng and Chew Hwa Kwang, Patrick during the Relevant Periods, are directors whose emoluments are set out in note 9 above. The emoluments paid or payable to the remaining individuals for the Relevant Periods are as follows:

	For the year ended 31 December			For the three months ended 31 March	
	2007	**2008**	**2009**	**2009**	**2010**
	S$'000	***S$'000***	***S$'000***	***S$'000*** (Unaudited)	***S$'000***
Salaries, allowance and bonuses	336	400	532	82	123
Contribution to defined contributions plans	22	26	24	5	5
Share-based payment expense	276	161	194	35	18
	634	587	750	122	146

An analysis of their emoluments by number of employee and emolument range is set out below:

	Number of employees				
	For the year ended 31 December			For the three months ended 31 March	
	2007	**2008**	**2009**	**2009** (Unaudited)	**2010**
Nil to HK$1,000,000	2	1	–	3	3
HK$1,000,001 to HK$1,500,000	1	2	2	–	–
HK$1,500,001 to HK$2,000,000	–	–	1	–	–

11. INCOME TAX EXPENSE

	For the year ended 31 December			For the three months ended 31 March	
	2007	**2008**	**2009**	**2009**	**2010**
	S$'000	***S$'000***	***S$'000***	***S$'000*** (Unaudited)	***S$'000***
Continuing operations					
Current – Singapore					
Provision for income tax for the year/period	–	–	90	–	–
Underprovision for income tax in prior years	132	2	–	–	–
Current – PRC					
Provision for income tax for the year/period	2,475	7,254	8,844	1,894	2,147
Under/(over) provision for income tax in prior years	724	(33)	288	–	–
Income tax expense	3,331	7,223	9,222	1,894	2,147

The income tax expense for the Relevant Periods can be reconciled to the profit per the consolidated statements of comprehensive income as follows:

	For the year ended 31 December			For the three months ended 31 March	
	2007	2008	2009	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000* (Unaudited)	*S$'000*
Profit before income tax expense	35,053	37,835	46,481	9,921	12,085
Income tax calculated at statutory tax rate of 18% for years ended 31 December 2007 and 2008 and 17% for year ended 31 December 2009 and the three months ended 31 March 2009 and 2010	6,309	6,810	7,902	1,686	2,054
Effect of different tax rates of overseas operations	(171)	2,323	3,714	852	894
Tax effect of share of result of an associate	(226)	(345)	(563)	14	(282)
Tax effect of expenses not deductible for tax purposes	1,444	261	539	123	16
Effect of tax concession of subsidiaries	(4,881)	(1,795)	(2,658)	(781)	(535)
Provision for income tax for the year/period	2,475	7,254	8,934	1,894	2,147
Under/(over) provision for income tax in prior years	856	(31)	288	–	–
Income tax expense	3,331	7,223	9,222	1,894	2,147

The Company is incorporated in Singapore and accordingly, is subject to income tax rates of 18% for the years ended 31 December 2007 and 2008 and 17% for the year ended 31 December 2009 and the three months ended 31 March 2009 and 2010.

Pursuant to the income tax rules and regulations of the PRC, PRC subsidiaries are liable to PRC enterprise income tax as follows:

- Prior to 1 January 2008, PRC subsidiaries were, in general, subject to the enterprise income tax rate of 33%, consisting 30% state tax and 3% local tax, on their assessable profits. On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the PRC Enterprise Income Tax Law which took effect on 1 January 2008. As a result of the PRC Enterprise Income Tax Law, the enterprise income tax rate in the PRC is reduced from 33% to 25%.

- Jilin Midas is entitled to exemption from PRC enterprise income tax for its profit derived from its second production line for the two years commencing from its first profit making year in 2006, followed by a 50% reduction in PRC enterprise income tax for the next three years through 2010.

- Wanshida is entitled to exemption from PRC enterprise income tax for the two years commencing from its first profit making year in 2003, followed by a 50% reduction in PRC enterprise income tax for the next three years through 2007.

12. PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to shareholders of the Company includes a loss of S$5,987,000, S$2,470,000, S$3,351,000, S$647,000 and S$729,000 for the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2009 and 2010 respectively has been dealt with in the financial statements of the Company.

13. DIVIDENDS

	For the year ended 31 December			For the three months ended 31 March	
	2007	2008	2009	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000* (Unaudited)	*S$'000*
Dividends recognised as distribution during the Relevant Periods:					
Final dividend of S$0.005 per share paid in respect of the financial year ended 2006	4,219	–	–	–	–
2007 first and second interim dividends of S$0.01 per ordinary share	8,449	–	–	–	–
2007 third interim dividends of S$0.005 per ordinary share	4,226	–	–	–	–
Final dividend of S$0.005 per share paid in respect of the financial year ended 2007	–	4,227	–	–	–
2008 first and second interim dividends of S$0.01 per ordinary share	–	8,443	–	–	–
2008 third interim dividends of S$0.0025 per ordinary share	–	2,111	–	–	–
Final dividend of S$0.0025 per share paid in respect of the financial year ended 2008	–	–	2,111	–	–
2009 first and second interim dividends of S$0.0025 per ordinary share	–	–	4,822	2,111	–
2009 third interim dividends of S$0.0025 per ordinary share	–	–	2,411	–	–
2010 first interim dividends of S$0.0025 per ordinary share	–	–	–	–	2,411
	16,894	14,781	9,344	2,111	2,411

Subsequent to the end of each reporting period, the Directors proposed a final dividend of S$0.005, S$0.0025 and S$0.0025 per ordinary share, amounting to S$4,227,000, S$2,111,000 and S$2,411,000 for the years ended 31 December 2007, 2008 and 2009 respectively. The proposed dividends had not been recognised as a liability at 31 December 2007, 2008 and 2009 respectively.

14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	For the year ended 31 December			For the three months ended 31 March	
	2007	**2008**	**2009**	**2009**	**2010**
	S$'000	***S$'000***	***S$'000***	***S$'000*** (Unaudited)	***S$'000***
Earnings					
Profit arising from continuing operations attributable to owners of the Company	31,722	30,612	37,259	8,027	9,938
Profit arising from discontinued operations attributable to owners of the Company	192	2,065	282	495	–
Earnings for the purpose of basic and diluted earnings per share, being profit for the year/period attributable to owners of the Company	31,914	32,677	37,541	8,522	9,938

	For the year ended 31 December			For the three months ended 31 March	
	2007	**2008**	**2009**	**2009**	**2010**
	'000	***'000***	***'000***	***'000*** (Unaudited)	***'000***
Number of shares					
Weighted average number of ordinary shares for the purpose of basic earnings per share	844,298	844,968	897,299	844,368	964,368
Effect of dilutive potential ordinary shares:					
Effects of dilution – share options	11,444	979	1,410	–	3,188
Weighted average number of ordinary shares for the purpose of diluted earnings per share	855,742	845,947	898,709	844,368	967,556

	For the year ended 31 December			For the three months ended 31 March	
	2007	**2008**	**2009**	**2009**	**2010**
	S cents	***S cents***	***S cents***	***S cents*** (Unaudited)	***S cents***
Basic earnings per share	3.78	3.87	4.18	1.01	1.03
– from continuing operations	3.76	3.62	4.15	0.95	1.03
– from discontinued operations	0.02	0.25	0.03	0.06	–
Diluted earnings per share	3.73	3.86	4.18	1.01	1.03
– from continuing operations	3.71	3.62	4.15	0.95	1.03
– from discontinued operations	0.02	0.24	0.03	0.06	–

A batch of 4,600,000, 4,250,000, 7,000,000, 4,000,000 and 13,100,000 share options did not have dilutive effect on the Group's earnings per share for the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2009 and 2010 respectively because the average market price per ordinary share of the Company during the Relevant Periods was below the exercise price of the share option granted.

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings and improvements	Plant, equipment and mould	Motor vehicles	Office equipment	Construction-in-progress	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
The Group						
Cost						
Balance at 1 January 2007	20,636	55,352	1,168	1,431	3,211	81,798
Exchange differences	87	226	3	6	6	328
Additions	–	6,987	633	56	5,047	12,723
Transfers	2,649	141	–	–	(2,790)	–
Reclassification to land use rights	(730)	–	–	–	–	(730)
Disposals	–	(257)	(28)	(5)	–	(290)
Write-off	–	(14)	–	–	–	(14)
Balance at 31 December 2007 and 1 January 2008	22,642	62,435	1,776	1,488	5,474	93,815
Exchange differences	1,504	4,737	127	108	1,537	8,013
Additions	42	3,772	100	219	39,093	43,226
Transfers	–	6,264	–	–	(6,264)	–
Disposals	–	(12)	–	(5)	–	(17)
Balance at 31 December 2008 and 1 January 2009	24,188	77,196	2,003	1,810	39,840	145,037
Exchange differences	(1,224)	(2,378)	(46)	(49)	(3,386)	(7,083)
Additions	1,664	8,242	844	121	91,210	102,081
Transfers	15,723	6,363	–	–	(22,086)	–
Disposals	–	(3,072)	(1,003)	(27)	(1,079)	(5,181)
Balance at 31 December 2009 and 1 January 2010	40,351	86,351	1,798	1,855	104,499	234,854
Exchange differences	(116)	(229)	(7)	(5)	(424)	(781)
Additions	165	2,436	343	22	25,948	28,914
Transfers	2,310	272	–	–	(2,582)	–
Balance at 31 March 2010	42,710	88,830	2,134	1,872	127,441	262,987
Accumulated depreciation and impairment loss						
Balance at 1 January 2007	2,342	13,957	253	687	–	17,239
Exchange differences	8	44	–	2	–	54
Depreciation for the year	782	5,002	205	218	–	6,207
Disposals	–	(133)	(14)	–	–	(147)
Write-off	–	(5)	–	–	–	(5)
Balance at 31 December 2007 and 1 January 2008	3,132	18,865	444	907	–	23,348
Exchange differences	96	1,499	39	275	–	1,909
Depreciation for the year	741	6,731	242	225	–	7,939
Disposals	–	(9)	–	(4)	–	(13)
Balance at 31 December 2008 and 1 January 2009	3,969	27,086	725	1,403	–	33,183
Exchange differences	(130)	(952)	(12)	(39)	–	(1,133)
Depreciation for the year	836	9,236	255	176	–	10,503
Transfers	–	(5)	–	5	–	–
Disposals	–	(3,053)	(430)	(26)	–	(3,509)
Impairment loss for the year	–	1,205	–	–	–	1,205
Balance at 31 December 2009 and 1 January 2010	4,675	33,517	538	1,519	–	40,249
Exchange differences	(14)	(96)	(2)	(4)	–	(116)
Depreciation for the period	333	2,026	51	43	–	2,453
Balance at 31 March 2010	4,994	35,447	587	1,558	–	42,586
Carrying amount						
At 31 December 2007	19,510	43,570	1,332	581	5,474	70,467
At 31 December 2008	20,219	50,110	1,278	407	39,840	111,854
At 31 December 2009	35,676	52,834	1,260	336	104,499	194,605
At 31 March 2010	37,716	53,383	1,547	314	127,441	220,401

The Group carried out annual review of the recoverable amount of the property, plant and equipment which led to the recognition of the impairment loss of S$1,205,000 that has been recognised in the profit or loss and included in the cost of sales for the year ended 31 December 2009. The recoverable amount of the relevant assets has been determined on the basis of their value in use.

As at 31 December 2007, 2008 and 2009 and 31 March 2010, certain property, plant and equipment with net book value of approximately S$35,217,000, S$30,797,000, S$71,189,000 and S$75,671,000 respectively were pledged as securities for bank borrowings (note 26).

The borrowing costs of S$2,646,000 and S$1,313,000 had been capitalised into construction-in-progress for the year ended 31 December 2009 and the three months ended 31 March 2010 (note 8).

	Buildings and improvements	Office equipment	Total
	S$'000	*S$'000*	*S$'000*
The Company			
Cost			
Balance at 1 January 2007	5	28	33
Additions	–	5	5
Balance at 31 December 2007 and 1 January 2008	5	33	38
Additions	–	6	6
Balance at 31 December 2008 and 1 January 2009	5	39	44
Additions	–	1	1
Disposals	–	(27)	(27)
Balance at 31 December 2009 and 1 January 2010	5	13	18
Additions	–	2	2
Balance at 31 March 2010	5	15	20
Accumulated depreciation			
Balance at 1 January 2007	5	27	32
Depreciation for the year	–	2	2
Balance at 31 December 2007 and 1 January 2008	5	29	34
Depreciation for the year	–	4	4
Balance at 31 December 2008 and 1 January 2009	5	33	38
Depreciation for the year	–	3	3
Disposal	–	(26)	(26)
Balance at 31 December 2009 and 1 January 2010	5	10	15
Depreciation for the period	–	1	1
Balance at 31 March 2010	5	11	16
Carrying amount			
At 31 December 2007	–	4	4
At 31 December 2008	–	6	6
At 31 December 2009	–	3	3
At 31 March 2010	–	4	4

16. LAND USE RIGHTS

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Group				
Cost				
Balance at beginning of the year/period	2,134	3,187	3,406	19,010
Exchange differences	5	219	(652)	(46)
Additions	318	–	16,256	–
Reclassification from property, plant and equipment	730	–	–	–
Balance at end of the year/period	3,187	3,406	19,010	18,964
Accumulated amortisation				
Balance at beginning of the year/period	240	285	407	725
Exchange differences	1	23	(22)	(3)
Amortisation	44	99	340	105
Balance at end of the year/period	285	407	725	827
Carrying amount				
At end of the year/period	2,902	2,999	18,285	18,137

The amount represents the land use rights in respect of land located in the PRC under medium term leases, where certain of the Group's property, plant and equipment and properties under development are built on.

As at 31 December 2009 and 31 March 2010, land use rights with net book value of approximately S$17,582,000 and S$17,440,000 were pledged as securities for bank borrowings (note 26).

17. INTERESTS IN SUBSIDIARIES

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
Unquoted equity shares, at cost	9,682	9,682	9,682	9,682
Amounts due from subsidiaries	98,517	95,991	179,084	182,935
	108,199	105,673	188,766	192,617

The amounts due from subsidiaries form part of the Company's net investments in certain subsidiaries. They are interest-free, unsecured and settlement is neither planned nor likely to occur in the foreseeable future.

Amounts due from subsidiaries are denominated in the following currencies:

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
Singapore dollar	66,587	87,247	170,340	173,203
United States dollar	31,827	8,635	8,635	9,625
Renminbi	103	109	109	107
	98,517	95,991	179,084	182,935

18. INTEREST IN AN ASSOCIATE

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Group				
Unquoted equity investment				
Balance at beginning of the year/period	29,729	30,989	31,917	33,414
Additions	4	–	–	–
Dividend received/receivable	–	(987)	(1,817)	–
Share of result	1,256	1,915	3,314	1,661
Balance at end of the year/period	30,989	31,917	33,414	35,075

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Company				
Unquoted equity investment, at cost				
Balance at beginning of the year/period	29,729	29,733	29,733	29,733
Additions	4	–	–	–
Balance at end of the year/period	29,733	29,733	29,733	29,733

The Group's associate, Nanjing SR Puzhen Rail Transport Co., Ltd was incorporated on 18 October 2006 and commenced its commercial operations with effect from January 2007. The summary of the financial information as at 31 December 2007, 2008 and 2009 and 31 March 2010 are as follows:

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Group and the Company				
Total assets	150,240	230,525	358,567	468,087
Total liabilities	65,966	135,593	262,256	366,278
Turnover	72,102	107,916	266,398	114,190
Profit for the year/period	3,864	5,892	11,403	5,110

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Group				
Unlisted equity investments, at cost	–	–	411	410

The available-for-sale financial asset is denominated in Renminbi.

As at 31 December 2009 and 31 March 2010, unlisted equity investments with an aggregate carrying amount of S$411,000 and S$410,000 were stated at cost because of range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair values cannot be measured reliably.

20. PREPAID RENTAL

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Group				
Cost				
Balance at beginning of the year/period	38	38	40	39
Exchange differences	–	2	(1)	–
Balance at end of the year/period	38	40	39	39
Accumulated amortisation				
Balance at beginning of the year/period	9	10	12	13
Amortisation for the year/period	1	2	1	–
Balance at end of the year/period	10	12	13	13
Carrying amount				
Balance at end of the year/period	28	28	26	26

21. PLEDGED BANK DEPOSITS

As at 31 December 2007, 2008 and 2009 and 31 March 2010, bank deposits pledged to certain banks to secure the issuance of letters of credit amounted to S$5,005,000, S$2,090,000, S$14,048,000 and S$11,860,000 respectively. The pledged bank deposits bear interest at effective rate ranging from 0.72% to 1.00%, 0.72% to 1.00% and 0.10% to 0.38%, 0.10% to 0.36% per annum respectively and for a tenure ranging between 1 year to 3 years.

The carrying amounts of pledged bank deposits approximate their fair values and are denominated in the following currencies:

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Group				
Euro	66	1,001	12,637	10,596
Renminbi	4,939	1,089	1,411	1,264
	5,005	2,090	14,048	11,860

22. INVENTORIES

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Group				
Raw materials	8,198	2,471	5,205	10,610
Work-in-progress	7,128	7,265	7,262	6,725
Finished goods	4,264	5,929	5,239	4,634
	19,590	15,665	17,706	21,969

The cost of inventories from continuing operations recognised as expense and included in "cost of sales" in consolidated statement of comprehensive income amounted to S$66,421,000, S$90,450,000, S$92,193,000, S$18,021,000 and S$31,027,000 for the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2009 and 2010 respectively.

23. TRADE AND OTHER RECEIVABLES

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Group				
Trade receivables	30,926	50,815	47,552	42,193
Allowance for doubtful trade receivable	(469)	(599)	(377)	(376)
	30,457	50,216	47,175	41,817
Deposits and prepayments	5,233	14,114	5,518	7,799
Notes receivables	1,480	1,254	45	14
Amount due from an associate				
– Trade	397	–	–	–
– Non-trade	3	987	1,817	1,817
Other receivables	2,454	902	379	3,015
	40,024	67,473	54,934	54,462

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Company				
Deposits and prepayments	338	75	493	1,737
Amount due from an associate				
– Non-trade	–	987	1,817	1,817
Others receivables	16	17	25	50
	354	1,079	2,335	3,604

Trade receivables are non-interest bearing and are generally on 90 to 120 days credit terms.

Trade amount due from an associate is non-interest bearing and is generally on 90 days credit term. Non-trade amount due from an associate which mainly related to dividend receivable from an associate is unsecured, non-interest bearing and repayable on demand.

The Group and Company recognised impairment loss on individual assessment of customers based on the accounting policy stated in note 1(j).

As at 31 December 2009 and 31 March 2010, certain trade receivables with carrying values of approximately S$16,890,000 and S$25,466,000 were pledged as securities for bank borrowings (note 26).

The ageing analysis of the Group's trade receivables at the end of each reporting period is as follows:

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
Within 90 days	25,553	30,375	35,640	38,709
Over 90 days and within 120 days	1,064	5,860	1,819	1,968
Over 120 days and within 6 months	852	6,952	3,891	512
Over 6 months and within 1 year	2,025	6,545	3,247	489
Over 1 year and within 2 years	959	770	2,346	189
Over 2 years	473	313	609	326
	30,926	50,815	47,552	42,193

The ageing analysis of the Group's trade receivables past due but not impaired at the end of each reporting period is as follows:

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
Over 90 days and within 120 days	1,046	5,832	1,817	1,968
Over 120 days and within 6 months	781	6,952	3,891	509
Over 6 months and within 1 year	1,879	6,419	3,247	489
Over 1 year and within 2 years	959	593	2,276	142
Over 2 years	221	17	302	–
	4,886	19,813	11,533	3,108

The balance that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on the past experience, the management estimated that the carrying amounts could be fully recovered.

Movements in allowance for doubtful trade receivables are as follows:

	For the year ended 31 December			For the three months ended 31 March	
	2007	2008	2009	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000* (Unaudited)	*S$'000*
The Group					
Balance at beginning of the year/period	469	469	599	599	377
Allowance for the year/period	5	94	–	–	–
Write-back of allowance for doubtful trade receivables	(2)	–	(212)	–	–
Exchange differences	(3)	36	(10)	–	(1)
Balance at end of the year/period	469	599	377	599	376

The carrying amounts of trade and other receivables approximate their fair values and are denominated in the following currencies:

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Group				
Singapore dollar	356	93	519	1,784
Renminbi	36,111	65,692	51,872	51,219
Euro	3,557	1,688	2,543	1,459
	40,024	67,473	54,934	54,462

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Company				
Singapore dollar	354	92	518	1,782
Renminbi	–	987	1,817	1,822
	354	1,079	2,335	3,604

24. CASH AND CASH EQUIVALENTS

The carrying amounts of cash and cash equivalents approximate their fair values and are denominated in the following currencies:

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Group				
Euro	1,240	6	978	423
Renminbi	49,866	32,318	93,592	93,315
Singapore dollar	125	73	2,212	721
United States dollar	432	6	4,433	52
Others	3	3	8	8
	51,666	32,406	101,223	94,519

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Company				
Euro	6	6	5	5
Renminbi	1	–	1	2
Singapore dollar	55	56	2,189	700
United States dollar	6	6	4,417	36
Others	3	3	8	8
	71	71	6,620	751

25. TRADE AND OTHER PAYABLES

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Group				
Trade payables	8,519	8,790	5,511	9,345
Notes payable	–	2,110	2,055	3,075
Other payables and accruals	5,943	3,170	1,410	1,354
Advance from customers				
– Third parties	879	1,231	1,291	8,730
– Associate	–	15,057	3,192	–
	15,341	30,358	13,459	22,504

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Company				
Other payables and accruals	71	94	105	19
Amount due to a subsidiary	–	26	–	–
	71	120	105	19

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 days terms while other payables have an average term of 30 days.

Advance from an associate is trade in nature, unsecured and non-interest bearing.

The ageing analysis of the Group's trade payables at the end of each reporting period is as follows:

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
Within 90 days	7,062	8,312	5,379	9,186
Over 90 days and within 6 months	1,264	313	119	63
Over 6 months and within 1 year	167	125	3	75
Over 1 year	26	40	10	21
	8,519	8,790	5,511	9,345

The amount due to a subsidiary is non-trade in nature, unsecured, interest-free and repayable on demand.

The carrying amounts of trade and other payables approximate their fair values and are denominated in the following currencies:

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Group				
Singapore dollar	89	113	127	41
Renminbi	15,252	30,245	13,282	22,413
Euro	–	–	50	50
	15,341	30,358	13,459	22,504

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Company				
Singapore dollar	71	120	105	19

26. BANK BORROWINGS

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Group				
Secured bank borrowings *(note i)*	18,373	18,327	84,852	85,874
Unsecured bank borrowings *(note ii)*	–	2,742	11,898	18,020
	18,373	21,069	96,750	103,894
Carrying amount repayable:				
Within one year	18,373	14,742	80,104	82,984
Between one to two years	–	6,327	–	–
Between two to five years	–	–	11,648	14,635
Over five years	–	–	4,998	6,275
	18,373	21,069	96,750	103,894
Less: Amounts due within one year shown under current liabilities	(18,373)	(14,742)	(80,104)	(82,984)
	–	6,327	16,646	20,910

The bank borrowings comprise:

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
Fixed-rate borrowings	3,003	2,742	–	–
Variable-rate borrowings	15,370	18,327	96,750	103,894
	18,373	21,069	96,750	103,894

The effective interest rates, which are also equal to contracted interest rates, per annum are as follows:

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	%	*%*	*%*	*%*
Short-term loans	6.00-7.88	5.80-8.96	4.78-6.37	4.78-6.37
Long-term loans	–	7.33	5.94	5.94

For fixed-rate borrowings, the bank borrowings carried interest at rates ranging from 7.67% to 7.88% and 8.96% per annum as at 31 December 2007 and 2008 respectively.

For variable-rate borrowings, the bank borrowings carried interest at rates ranging from 90% to 120% of the benchmark interest rate as quoted by The People's Bank of China.

Bank borrowings are all denominated in Renminbi as at respective reporting dates.

Notes:

(i) The bank borrowings were secured by certain property, plant and equipment, land use rights and various trade receivables owned by the Group as set out in notes 15, 16 and 23 to the Financial Information.

(ii) The bank borrowings were guaranteed by Midas Jilin Aluminium Industries Co., Ltd in 2008 and guaranteed by Midas Jilin Aluminium Industries Co., Ltd and Small and Medium Enterprise Credit Guarantee Centre (中小企信用擔保中心) in 2009.

27. DEFERRED TAX

Details of the deferred tax liability recognised and movements during the Relevant Periods are as follows:

	S$'000
The Group	
Deferred tax liability	
At 1 January 2007 and 1 January 2008	–
Charged to foreign currency translation reserve	419
At 31 December 2008 and 1 January 2009	419
Exchange difference	(4)
At 31 December 2009, 1 January 2010 and 31 March 2010	415

During the year ended 31 December 2008, an inter-company loan within the Group had been capitalised that gave rise to an exchange difference of approximately S$1,635,000 which was credited to the foreign currency translation reserve at the Group level.

This exchange difference had also given rise to a future tax obligation of approximately S$419,000 which was recognised as a deferred tax liability on the consolidated statement of financial position with a corresponding entry to the foreign currency translation reserve as at 31 December 2008.

Under the New Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred tax has not been provided for in the consolidated statements of comprehensive income in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries as at 31 December 2008 and 2009 and 31 March 2010 amounting to S$35,001,000, S$72,612,000 and S$81,645,000 respectively as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

28. SHARE CAPITAL AND TREASURY SHARES

(a) Share capital

	As at 31 December			As at 31 March	As at 31 December			As at 31 March
	2007	2008	2009	2010	2007	2008	2009	2010
		Number of ordinary shares			*S$'000*	*S$'000*	*S$'000*	*S$'000*
Issued and fully paid								
Balance at beginning of the year/period	841,917,800	845,167,800	845,367,800	965,367,800	128,878	131,014	131,237	220,696
Issuance of ordinary shares in respect of the conversion of employee share options (note ii, iii)	3,250,000	200,000	–	–	1,710	175	–	–
Issuance of ordinary shares in respect of the share placement (note iv)	–	–	120,000,000	–	–	–	89,459	–
Transfer of option reserve to share capital upon exercise of employee share option	–	–	–	–	426	48	–	–
Balance at end of the year/period	845,167,800	845,367,800	965,367,800	965,367,800	131,014	131,237	220,696	220,696

Notes:

(i) The Company has one class of ordinary shares which carries no right to fixed income. All ordinary shares carry one vote per share without restrictions and has no par value.

(ii) On 6 February 2007, 1,900,000 ordinary shares were issued in respect of the conversion of share options under the Employee Share Option Scheme ("ESOS"). The remaining 1,350,000 ordinary shares were issued under ESOS between 14 May 2007 and 31 December 2007.

(iii) On 9 May 2008, 200,000 ordinary shares were issued in respect of the conversion of share options under the ESOS.

(iv) Pursuant to the placing agreement dated 16 July 2009, the Company agreed to issue 120,000,000 ordinary shares at a price of S$0.755 per share through the placement agent. The placing price of S$0.755 per share represented a discount of 7.0% to the volume weighted average price for trades as quoted on the Singapore Stock Exchange on 15 July 2009, being the preceding market day on which the placement agreement was signed. The 120,000,000 placement shares have been listed and quoted on the Singapore Stock Exchange on 27 July 2009.

(b) Treasury shares

	As at 31 December			As at 31 March	As at 31 December			As at 31 March
	2007	2008	2009	2010	2007	2008	2009	2010
		Number of ordinary shares			*S$'000*	*S$'000*	*S$'000*	*S$'000*
Balance at beginning of the year/period	–	–	1,000,000	1,000,000	–	–	518	518
Repurchase during the year/period	–	1,000,000	–	–	–	518	–	–
Balance at end of the year/period	–	1,000,000	1,000,000	1,000,000	–	518	518	518

The Company acquired 1,000,000 of its own shares through purchases on the Singapore Stock Exchange during the year ended 31 December 2008. The total amount paid to acquire the shares was S$518,000 and has been deducted from shareholders' equity.

29. RESERVES

	Treasury shares (note 28(b))	Share option reserve (note 32)	Retained earnings	Total
	S$'000	S$'000	S$'000	S$'000
The Company				
Balance at 1 January 2007	–	799	2,644	3,443
Total comprehensive income for the year	–	–	15,304	15,304
Transfer of option reserve to share capital upon exercise of ESOS	–	(426)	–	(426)
Dividends	–	–	(16,894)	(16,894)
Share-based payment expense	–	1,623	–	1,623
Balance at 31 December 2007 and 1 January 2008	–	1,996	1,054	3,050
Total comprehensive income for the year	–	–	14,814	14,814
Repurchase of shares and held as treasury shares	(518)	–	–	(518)
Transfer of option reserve to share capital upon exercise of ESOS	–	(48)	–	(48)
Dividends	–	–	(14,781)	(14,781)
Share-based payment expense	–	577	–	577
Balance at 31 December 2008 and 1 January 2009	(518)	2,525	1,087	3,094
Total comprehensive income for the year	–	–	9,958	9,958
Dividends	–	–	(9,344)	(9,344)
Share-based payment expense	–	537	–	537
Balance at 31 December 2009 and 1 January 2010	(518)	3,062	1,701	4,245
Total comprehensive income for the period	–	–	1,691	1,691
Dividends	–	–	(2,411)	(2,411)
Share-based payment expense	–	58	–	58
Balance at 31 March 2010	(518)	3,120	981	3,583

30. FOREIGN CURRENCY TRANSLATION RESERVE

The Group

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. Movements in this account are set out in the statements of changes in equity.

31. PRC STATUTORY RESERVE

The Group

PRC statutory reserve represents the amounts transferred from profit after income tax of the subsidiaries incorporated in the People's Republic of China ("PRC") in accordance with the PRC statutory requirements. The PRC statutory reserve cannot be reduced except where approval is obtained from the relevant PRC authority to apply the amount either in setting off the accumulated losses or increasing share capital. Movement in this account is set out in the statements of changes in equity.

32. SHARE OPTION RESERVE

The Group and Company

Share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded on grant of equity-settled share options.

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
Balance at beginning of the year/period	799	1,996	2,525	3,062
Share-based payment expense	1,623	577	537	58
Transfer of option reserve to share capital upon exercise of ESOS	(426)	(48)	–	–
Balance at end of the year/period	1,996	2,525	3,062	3,120

Equity-settled share options scheme

The Company has a share option scheme known as Midas Employee Share Option Scheme (the "Option Scheme") for all employees of the Group. Under the Option Scheme, an option entitles the option holder to subscribe for a specific number of new ordinary shares in the Company comprised in the option at a subscription price per share determined with reference to the market price of the share at the time of grant of the option.

Options granted with the subscription price set at the market price shall only be exercised after the first anniversary from the date of grant of the option. Options granted with the market price set at a discount to the market price shall only be exercised after the second anniversary from the date of the grant of the option. The shares under option may be exercised in whole or in part thereof.

Options granted will lapse when the option holder ceases to be a full-time employee of the Group subject to certain exceptions at the discretion of the Company.

Details of the share options outstanding during the Relevant Periods are as follows:

	Balance at beginning of year/period	Granted during the year/period	Exercised/Cancelled during the year/period	Balance at end of year/period	Exercise price
The Group and the Company					
At 31 March 2010					
2006 options	3,000,000	–	–	3,000,000	S$0.87
2007 options	4,000,000	–	–	4,000,000	S$1.99
2009 options	5,600,000	–	–	5,600,000	S$0.52
	12,600,000	–	–	12,600,000	
Exercisable at 31 March 2010				12,600,000	
At 31 December 2009					
2006 options	3,000,000	–	–	3,000,000	S$0.87
2007 options	4,250,000	–	(250,000)	4,000,000	S$1.99
2009 options	–	5,850,000	(250,000)	5,600,000	S$0.52
	7,250,000	5,850,000	(500,000)	12,600,000	
Exercisable at 31 December 2009				12,600,000	
At 31 December 2008					
2006 options	3,600,000	–	(600,000)	3,000,000	S$0.87
2007 options	4,600,000	–	(350,000)	4,250,000	S$1.99
	8,200,000	–	(950,000)	7,250,000	
Exercisable at 31 December 2008				7,250,000	
At 31 December 2007					
2005 options	1,900,000	–	(1,900,000)	–	S$0.28
2006 options	4,950,000	–	(1,350,000)	3,600,000	S$0.87
2007 options	–	4,600,000	–	4,600,000	S$1.99
	6,850,000	4,600,000	(3,250,000)	8,200,000	
Exercisable at 31 December 2007				3,600,000	

The weighted average share price at the date of exercise for share options exercised or cancelled in years ended 31 December 2007, 2008 and 2009 were S$0.53, S$1.28 and S$0.52 respectively. The options outstanding as at 31 December 2007, 2008 and 2009 and 31 March 2010 have a weighted average remaining contractual life of 4.5 years, 3.1 years, 3.3 years and 3.0 years respectively.

On 14 May 2007 and 9 February 2009, 4,600,000 and 5,850,000 options were granted respectively. The estimated fair value of the share options granted for the years ended 31 December 2007 and 2009 were S$1,978,000 and S$735,000 respectively.

There were no share options granted for the year ended 31 December 2008. The fair values for the share options granted for the years ended 31 December 2007 and 2009 were calculated using the Hull-White option pricing model.

The inputs into the model were as follows:

	As at 31 December			As at 31 March
	2007	2008	2009	2010
The Group and the Company				
Weighted average share price	S$0.53	N/A	S$0.52	N/A
Weighted average exercise price	S$1.99	N/A	S$0.52	N/A
Expected volatility	44.0%	N/A	56.4%	N/A
Expected life	5 years	N/A	1-2 years	N/A
Risk free rate	3.05%	N/A	0.45%-0.71%	N/A
Expected dividend yield	1.30%	N/A	1.85%	N/A

The volatility percent was derived on the basis of a sample of weekly closing stock prices over the period of February 2004 to February 2009, extracted from the Singapore Stock Exchange website.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

The risk-free rate is assumed to be the latest available yield for a one-year, two-year and five-year government bond.

The exit rate is assumed to be zero as the vesting period is only one year. The exercise multiple is assumed to be 1.0 and 1.2 times for directors, senior management, middle management and support staff, which is based on the most recent exercise multiple data of the Company for the years ended 31 December 2007 and 2009 respectively and taking into consideration the recent stock market situation.

33. OPERATING LEASE COMMITMENTS

At 31 December 2007, 2008 and 2009 and 31 March 2010, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Group				
Within one year	400	221	267	262
After one year but within five years	247	27	541	492
	647	248	808	754

The Group leases a number of properties under operating leases. Leases are negotiated for an average term of 3 to 5 years and rentals are fixed for an average of 3 to 5 years. These leases have no escalation clauses, restriction and do not provide contingent rents.

34. CAPITAL COMMITMENTS

	As at 31 December			As at 31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
The Group				
Commitments for the acquisition of property, plant and equipment:				
– Contracted but not provided for . .	11,245	21,211	52,025	49,864

35. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

In addition to the information disclosed in notes 23 and 25 to the Financial Information, significant related party transactions between the Group and its related parties during the Relevant Periods were as follows:

		Transaction amount				
Related party relationship	**Type of transaction**	For the year ended 31 December			For the three months ended 31 March	
		2007	2008	2009	2009	2010
		S$'000	*S$'000*	*S$'000*	*S$'000* (unaudited)	*S$'000*
Associate . . .	Sales of goods	5,329	10,376	10,165	560	5,139
Associate. . . .	Dividend income	–	987	1,817	–	–
Director	Repayment to a director	6,203	–	–	–	–

(b) Compensation of key management personnel

Remuneration of key management personnel of the Group, including certain amounts paid or payable to the Company's directors as disclosed in note 9 to the Financial Information, during the Relevant Periods were as follows:

	For the year ended 31 December			For the three months ended 31 March	
	2007	2008	2009	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000* (unaudited)	*S$'000*
Salaries and other short-term employee benefits	708	708	825	177	266
Contribution to defined contributions plans	15	15	16	4	4
Equity-settled share-based payment expense	300	–	–	–	–
	1,023	723	841	181	270

36. FINANCIAL RISK AND CAPITAL MANAGEMENT

Financial risk management

The Group's activities expose it to credit risk, market risk (including interest rate risk and foreign currency risks), and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Group management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuation, if any, in interest rates and foreign exchange rates. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

(a) Credit risk

The Group places its bank balances with credit worthy financial institutions. The Group performs ongoing credit evaluation of its customers' financial condition and generally does not require collateral. This evaluation includes assessing and valuation of customers' credit reliability and periodic review of their financial status to determine credit limits to be granted.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at end of the year in relation to each class of recognised financial assets is the carrying amount of those assets stated in the statements of financial position.

The Group has a concentration of credit risk of the trade receivables due from the five largest debtors. As at 31 December 2007, 2008 and 2009 and 31 March 2010, approximately 52%, 69%, 66% and 83% of total trade receivables respectively, were due from the five largest debtors.

Cash and fixed deposits are placed with banks and approved financial institutions which are regulated.

(b) Market risk

(i) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. 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 following tables set out the carrying amount, by maturity, of the Group's financial instruments, that are exposed to interest rate risk.

	Weighted average effective interest rate				Carrying amount			
	As at 31 December			As at 31 March	As at 31 December			As at 31 March
	2007	2008	2009	2010	2007	2008	2009	2010
	%	%	%	%	S$'000	S$'000	S$'000	S$'000
The Group								
Variable rate instruments								
Financial assets								
Pledged bank deposits	0.80%	0.28%	0.13%	0.13%	5,005	2,090	14,048	11,860
Cash and cash equivalents	0.79%	0.36%	0.34%	0.36%	51,666	32,406	101,223	94,519
					56,671	34,496	115,271	106,379
Financial liabilities								
Interest-bearing bank borrowings	6.90%	6.69%	5.48%	5.53%	15,370	18,327	96,750	103,894

	Weighted average effective interest rate				Carrying amount			
	As at 31 December			As at 31 March	As at 31 December			As at 31 March
	2007	2008	2009	2010	2007	2008	2009	2010
	%	%	%	%	S$'000	S$'000	S$'000	S$'000
The Company								
Variable rate instruments								
Financial assets								
Cash and cash equivalents	0.21%	0.19%	0.06%	0.14%	71	71	6,620	751

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risks for financial instruments at the end of each reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of each reporting date was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 100 basis point ("bp") change in the interest rates from the end of each reporting period, with all variables held constant.

	Impact to profit attributable to owners	
	100 bp increase	**100 bp decrease**
	S$'000	***S$'000***
The Group		
At 31 March 2010		
Bank borrowings	(840)	840
At 31 December 2009		
Bank borrowings	(786)	786
At 31 December 2008		
Bank borrowings	(159)	159
At 31 December 2007		
Bank borrowings	(133)	133

(ii) Foreign currency risk

The Group has foreign currency exposures arising from transactions that are denominated in a currency other than the respective functional currencies of Group entities, primarily Singapore dollar and Renminbi. As at the end of each reporting period, the Group and the Company do not have significant foreign currency risk exposure except for the financial assets denominated in Euro. The Group makes use of natural hedge in the above situation to minimise its exposure to foreign currency movements. It is not the Group's policy to enter into any financial derivatives to hedge its exchange risk.

The Group is also exposed to currency translation risk arising from its net investments in foreign operation in the PRC, which are not hedged.

The following table sets out the carrying amount of monetary assets and liabilities of the Group in their respective currencies:

	Assets				Liabilities			
	As at 31 December			As at 31 March	As at 31 December			As at 31 March
	2007	2008	2009	2010	2007	2008	2009	2010
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Euro	4,863	2,695	16,158	12,477	–	–	50	50
Renminbi	90,916	99,099	147,286	146,208	33,625	51,314	110,032	126,307
Singapore dollar	481	166	2,731	722	89	113	127	41
United States dollar	432	6	4,433	1,836	–	–	–	–
Other	3	3	8	8	–	–	–	–
	96,695	101,969	170,616	161,251	33,714	51,427	110,209	126,398

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit to a reasonably possible 10% change in exchange rate of Euro and United States dollar against the respective functional currencies of the Group entities, with all other variables held constant.

	Impact to profit attributable to owners	
	Strengthened by 10%	**Weakened by 10%**
	S$'000	***S$'000***
The Group		
At 31 March 2010		
Euro	1,010	(1,010)
United States dollar	149	(149)
	1,159	(1,159)
At 31 December 2009		
Euro	1,310	(1,310)
United States dollar	368	(368)
	1,678	(1,678)
At 31 December 2008		
Euro	221	(221)
At 31 December 2007		
Euro	398	(398)
United States dollar	32	(32)
	430	(430)

(c) Liquidity risk

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risk is managed by matching the payment and receipt cycle.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up using undiscounted cash flows of financial liabilities based on the earlier of the contractual date or when the Group is expected to pay. The table includes both interest and principal cash flows.

	Carrying amount	Total contractual undiscounted cash flow	Within one year	After one year but less than five years	Due five or more than five years
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*
The Group					
At 31 March 2010					
Financial liabilities					
Trade and other payables	22,504	22,504	22,504	–	–
Bank borrowings	103,894	110,763	86,041	18,086	6,636
Dividends payable	2,411	2,411	2,411	–	–
	128,809	135,678	110,956	18,086	6,636
At 31 December 2009					
Financial liabilities					
Trade and other payables	13,459	13,459	13,459	–	–
Bank borrowings	96,750	103,221	83,293	14,568	5,360
Dividends payable	2,411	2,411	2,411	–	–
	112,620	119,091	99,163	14,568	5,360
At 31 December 2008					
Financial liabilities					
Trade and other payables	30,358	30,358	30,358	–	–
Bank borrowings	21,069	22,088	15,511	6,577	–
Dividends payable	2,111	2,111	2,111	–	–
	53,538	54,557	47,980	6,577	–
At 31 December 2007					
Financial liabilities					
Trade and other payables	15,341	15,341	15,341	–	–
Bank borrowings	18,373	19,176	19,176	–	–
Dividends payable	4,226	4,226	4,226	–	–
	37,940	38,743	38,743	–	–

	Carrying amount	Total contractual undiscounted cash flow	Within one year
	S$'000	*S$'000*	*S$'000*
The Company			
At 31 March 2010			
Financial liabilities			
Other payables	19	19	19
Dividends payable	2,411	2,411	2,411
	2,430	2,430	2,430
At 31 December 2009			
Financial liabilities			
Other payables	105	105	105
Dividends payable	2,411	2,411	2,411
	2,516	2,516	2,516
At 31 December 2008			
Financial liabilities			
Other payables	94	94	94
Dividends payable	2,111	2,111	2,111
	2,205	2,205	2,205
At 31 December 2007			
Financial liabilities			
Other payables	71	71	71
Dividends payable	4,226	4,226	4,226
	4,297	4,297	4,297

The Group's operations are financed mainly through equity, accumulated profits and bank borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

As at 31 December 2007 and 2008, the Company's current liabilities exceeded its current assets by approximately S$3,872,000 and S$1,081,000 respectively. As at 31 December 2009 and 31 March 2010, the Company has a net current assets position of S$6,439,000 and S$1,925,000 respectively. Current liabilities of the Company comprise mainly dividend payable. The Company's cash flow obligations are supported by dividend and management fee income derived from its subsidiaries and associate.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising share capital, treasury shares, foreign currency translation reserve, general reserve, share option reserve and retained earnings as disclosed in notes 28 to 32 to the Financial Information.

The Group monitors capital on the basis of the debt to equity ratio. This ratio is calculated as total liabilities divided by equity. Total liabilities are the sum of "current liabilities" and "non-current liabilities" as shown on the statement of financial position and equity is "capital and reserves" as shown on the statement of financial position. This strategy remained unchanged during the Relevant Periods.

The debt-equity ratio as at 31 December 2007, 2008 and 2009 and 31 March 2010 were as follows:

	The Group			
	For the year ended 31 December			31 March
	2007	2008	2009	2010
	S$'000	*S$'000*	*S$'000*	*S$'000*
Total liabilities	39,097	54,630	113,818	129,224
Equity	181,574	209,802	320,834	327,737
Debt to equity ratio	0.22	0.26	0.35	0.39

As disclosed in note 31 to the Financial Information, all PRC subsidiaries of the Group are required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities.

The Group is in compliance with the externally imposed capital requirement for the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010.

Fair values

The carrying amounts of the financial assets and financial liabilities in the Financial Information approximate their fair values due to the relative short term maturity of these financial instruments.

As disclosed in note 19 to the Financial Information, the available-for-sale financial assets of the Group are not stated at fair value but at cost less any accumulated impairment losses because fair values of which cannot be reasonably assessed and therefore, no disclosure of the fair values of these financial instruments is made.

Amounts due from/to related companies are unsecured, interest-free and repayable on demand. Given these terms, it is not meaningful to disclose fair values of these balances.

37. SUBSEQUENT EVENTS

Except as disclosed elsewhere in this report, there is no material subsequent events undertaken by the Company or by the Group after 31 March 2010.

C. SUBSEQUENT FINANCIAL STATEMENTS

No audited consolidated financial statements have been prepared for the Group in respect of any period subsequent to 31 March 2010.

Yours faithfully,

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A. UNAUDITED INTERIM CONDENSED FINANCIAL INFORMATION

Under the Listing Manual pursuant to which the Shares were listed on SGX-ST, the Company is required to publish its interim financial results on a quarterly basis.

The information set out in this Appendix IA does not form part of the Accountant's Report prepared by the joint reporting accountants of the Company, BDO Limited, Certified Public Accountants, Hong Kong and BDO LLP, Certified Public Accountants, Singapore as set out in Appendix I to the Listing Document, and is included herein for information only.

The following is the unaudited interim condensed financial information, which comprises the audited company and consolidated statements of financial position as at 31 December 2009, the unaudited company and consolidated statements of financial position as at 30 June 2010; the unaudited consolidated statement of comprehensive income; the unaudited consolidated statement of cash flows and the unaudited company and consolidated statements of changes in equity for the three and six months ended 30 June 2009 and 2010; and certain explanatory notes, prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board for the purpose of inclusion in this Listing Document.

1. Consolidated Statements of Comprehensive Income

		Three months ended 30 June		Six months ended 30 June	
		2010	2009	2010	2009
	Notes	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*
Continuing operations					
Turnover	*4*	47,563	37,795	93,616	69,016
Cost of sales		(32,171)	(22,191)	(63,198)	(40,212)
Gross profit		15,392	15,604	30,418	28,804
Other operating income	*6*	450	65	631	185
Selling and distribution expenses		(1,193)	(1,120)	(2,425)	(1,832)
Administrative expenses		(3,034)	(2,333)	(6,380)	(4,331)
Finance costs	*8*	(801)	(657)	(1,006)	(1,263)
Share of profit of an associate		2,424	213	4,085	130
Profit before income tax expense	*7(a)*	13,238	11,772	25,323	21,693
Income tax expense	*9*	(2,154)	(2,260)	(4,301)	(4,154)
Profit for the period from continuing operations		11,084	9,512	21,022	17,539
Discontinued operations					
(Loss)/profit for the period from discontinued operations	*7(b)*	–	(89)	–	406
Profit for the period		11,084	9,423	21,022	17,945

		Three months ended 30 June		Six months ended 30 June	
		2010	2009	2010	2009
	Notes	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*
Other comprehensive income:					
Translation differences relating to financial statements of foreign subsidiaries		1,814	(8,617)	1,132	1,756
Other comprehensive income for the period		1,814	(8,617)	1,132	1,756
Total comprehensive income for the period		12,898	806	22,154	19,701
Basic earnings per share (S cents)	*11*	1.15	1.12	2.18	2.13
– From continuing operations		1.15	1.13	2.18	2.08
– From discontinued operations		–	(0.01)	–	0.05
Diluted earnings per share (S cents)		1.15	1.11	2.17	2.13
– From continuing operations		1.15	1.11	2.17	2.08
– From discontinued operations		–	–	–	0.05

2. Consolidated Statements of Financial Position

	Notes	Group		Company	
		As at 30 June 2010	As at 31 December 2009	As at 30 June 2010	As at 31 December 2009
		S$'000	*S$'000*	*S$'000*	*S$'000*
		(Unaudited)	*(Audited)*	*(Unaudited)*	*(Audited)*
Non-current assets					
Property, plant and equipment	*12*	242,546	194,605	9	3
Land use rights		25,770	18,285	–	–
Interests in subsidiaries		–	–	189,514	188,766
Interest in an associate		37,499	33,414	29,733	29,733
Available-for-sale financial assets		413	411	–	–
Prepaid rental		26	26	–	–
Pledged bank deposits		12,015	14,048	–	–
		318,269	260,789	219,256	218,502
Current assets					
Inventories		23,987	17,706	–	–
Trade and other receivables	*13*	75,312	54,934	5,061	2,335
Cash and cash equivalents		103,240	101,223	1,729	6,620
		202,539	173,863	6,790	8,955
Current liabilities					
Trade and other payables	*14*	30,316	13,459	11	105
Bank borrowings	*15*	97,353	80,104	–	–
Dividends payable		2,411	2,411	2,411	2,411
Income tax payable		1,751	783	–	–
		131,831	96,757	2,422	2,516
Net current assets		70,708	77,106	4,368	6,439
Total assets less current liabilities		388,977	337,895	223,624	224,941
Non-current liabilities					
Bank borrowings	*15*	50,337	16,646	–	–
Deferred tax liability		416	415	–	–
		50,753	17,061	–	–
Net assets		338,224	320,834	223,624	224,941

	Notes	Group		Company	
		As at 30 June 2010	As at 31 December 2009	As at 30 June 2010	As at 31 December 2009
		S$'000	*S$'000*	*S$'000*	*S$'000*
		(Unaudited)	*(Audited)*	*(Unaudited)*	*(Audited)*
Capital and reserves					
Share capital		220,696	220,696	220,696	220,696
Treasury shares		(518)	(518)	(518)	(518)
Foreign currency translation reserve		(2,296)	(3,428)	–	–
PRC statutory reserve		20,088	18,234	–	–
Share option reserve		3,120	3,062	3,120	3,062
Retained earnings		97,134	82,788	326	1,701
Total equity attributable to owners of the Company		338,224	320,834	223,624	224,941

3. Consolidated Statements of Changes in Equity

Group

	Share capital	Treasury shares	Foreign currency translation reserve	PRC statutory reserve	Share option reserve	Retained earnings	Total
	S$'000 *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*
Balance at 1 April 2009	131,237	(518)	14,106	15,473	2,648	63,763	226,709
Profit for the period	–	–	–	–	–	9,423	9,423
Translation differences relating to financial statements of foreign subsidiaries	–	–	(8,617)	–	–	–	(8,617)
Total comprehensive income for the period	–	–	(8,617)	–	–	9,423	806
Transfer to PRC statutory reserve	–	–	–	1,006	–	(1,006)	–
Dividends	–	–	–	–	–	(2,111)	(2,111)
Share-based payment expense	–	–	–	–	184	–	184
Balance at 30 June 2009	131,237	(518)	5,489	16,479	2,832	70,069	225,588
Balance at 1 January 2009	131,237	(518)	3,733	14,547	2,525	58,278	209,802
Profit for the period	–	–	–	–	–	17,945	17,945
Translation differences relating to financial statements of foreign subsidiaries	–	–	1,756	–	–	–	1,756
Total comprehensive income for the period	–	–	1,756	–	–	17,945	19,701
Transfer to PRC statutory reserve	–	–	–	1,932	–	(1,932)	–
Dividends	–	–	–	–	–	(4,222)	(4,222)
Share-based payment expense	–	–	–	–	307	–	307
Balance at 30 June 2009	131,237	(518)	5,489	16,479	2,832	70,069	225,588

	Share capital	Treasury shares	Foreign currency translation reserve	PRC statutory reserve	Share option reserve	Retained earnings	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Balance at 1 April 2010	220,696	(518)	(4,110)	19,144	3,120	89,405	327,737
Profit for the period	–	–	–	–	–	11,084	11,084
Translation differences relating to financial statements of foreign subsidiaries	–	–	1,814	–	–	–	1,814
Total comprehensive income for the period	–	–	1,814	–	–	11,084	12,898
Transfer to PRC statutory reserve	–	–	–	944	–	(944)	–
Dividends	–	–	–	–	–	(2,411)	(2,411)
Share-based payment expense	–	–	–	–	–	–	–
Balance at 30 June 2010	220,696	(518)	(2,296)	20,088	3,120	97,134	338,224
Balance at 1 January 2010	220,696	(518)	(3,428)	18,234	3,062	82,788	320,834
Profit for the period	–	–	–	–	–	21,022	21,022
Translation differences relating to financial statements of foreign subsidiaries	–	–	1,132	–	–	–	1,132
Total comprehensive income for the period	–	–	1,132	–	–	21,022	22,154
Transfer to PRC statutory reserve	–	–	–	1,854	–	(1,854)	–
Dividends	–	–	–	–	–	(4,822)	(4,822)
Share-based payment expense	–	–	–	–	58	–	58
Balance at 30 June 2010	220,696	(518)	(2,296)	20,088	3,120	97,134	338,224

Company

	Share capital	Treasury shares	Share option reserve	Retained earnings	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Balance at 1 April 2009	131,237	(518)	2,648	564	133,931
Total comprehensive income for the period	–	–	–	3,942	3,942
Dividends	–	–	–	(2,111)	(2,111)
Share-based payment expense	–	–	184	–	184
Balance at 30 June 2009	131,237	(518)	2,832	2,395	135,946
Balance at 1 January 2009	131,237	(518)	2,525	1,087	134,331
Total comprehensive income for the period	–	–	–	5,530	5,530
Dividends	–	–	–	(4,222)	(4,222)
Share-based payment expense	–	–	307	–	307
Balance at 30 June 2009	131,237	(518)	2,832	2,395	135,946
Balance at 1 April 2010	220,696	(518)	3,120	981	224,279
Total comprehensive income for the period	–	–	–	1,756	1,756
Dividends	–	–	–	(2,411)	(2,411)
Share-based payment expense	–	–	–	–	–
Balance at 30 June 2010	220,696	(518)	3,120	326	223,624
Balance at 1 January 2010	220,696	(518)	3,062	1,701	224,941
Total comprehensive income for the period	–	–	–	3,447	3,447
Dividends	–	–	–	(4,822)	(4,822)
Share-based payment expense	–	–	58	–	58
Balance at 30 June 2010	220,696	(518)	3,120	326	223,624

4. Consolidated Statement of Cash Flows

	Three months ended 30 June		Six months ended 30 June	
	2010	2009	2010	2009
	S$'000 *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*
Cash flows from operating activities				
Profit before income tax expense	13,238	11,772	25,323	21,693
(Loss)/profit before tax from discontinued operations	–	(124)	–	540
	13,238	11,648	25,323	22,233
Adjustments for:				
Depreciation of property, plant and equipment	2,538	2,135	4,991	4,529
Amortisation of prepaid rental and land use rights	115	26	220	54
Share-based payment expense	–	184	58	307
Share of profit of an associate	(2,424)	(213)	(4,085)	(130)
Interest expenses	326	572	522	1,151
Interest income	(224)	(28)	(283)	(52)
Operating profit before changes in working capital	13,569	14,324	26,746	28,092
Changes in working capital:				
(Increase)/decrease in inventories	(2,018)	(2,055)	(6,281)	(1,759)
(Increase)/decrease in trade and other receivables	(20,850)	4,318	(20,378)	5,713
Increase/(decrease) in trade and other payables	7,812	(8,006)	16,857	(4,291)
Cash (used in)/generated from operations	(1,487)	8,581	16,944	27,755
Interest paid	(326)	(572)	(522)	(1,151)
Interest received	224	28	283	52
Tax refund	102	–	102	–
Income tax paid	(288)	(615)	(3,320)	(2,878)
Net cash (used in)/from operating activities	(1,775)	7,422	13,487	23,778

	Three months ended 30 June		Six months ended 30 June	
	2010	**2009**	**2010**	**2009**
	S$'000	***S$'000***	***S$'000***	***S$'000***
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Cash flows from investing activities				
Purchase of property, plant and equipment	(29,004)	(10,351)	(56,605)	(27,727)
Interest paid	(1,442)	–	(2,755)	–
(Increase)/decrease in pledged bank deposits	(155)	(361)	2,033	(414)
Investment in other financial assets	–	–	–	–
Net cash used in investing activities	(30,601)	(10,712)	(57,327)	(28,141)
Cash flows from financing activities				
Dividends paid	(2,411)	(2,111)	(4,822)	(4,222)
Proceed from bank borrowings	102,531	28,367	129,511	39,486
Repayment of bank borrowings	(59,394)	(8,976)	(78,580)	(8,976)
Net cash from financing activities	40,726	17,280	46,109	26,288
Net increase in cash and cash equivalents	8,350	13,990	2,269	21,925
Cash and cash equivalents at beginning of the period	94,519	42,706	101,223	32,406
Net effect of exchange rate changes in cash and cash equivalents	371	(1,868)	(252)	497
Cash and cash equivalents at end of the period, comprising bank balances and cash	103,240	54,828	103,240	54,828

Notes to the Unaudited Interim Condensed Financial Information

1. GENERAL

Midas Holdings Limited (the "Company") is a public limited liability company incorporated on 17 November 2000 and domiciled in the Republic of Singapore (Registration Number: 200009758W) with its registered office and principal place of business at No. 2 Shenton Way, #04-01 SGX Centre 1, Singapore 068804. The Company is listed on 23 February 2004 in the Singapore Exchange Securities Trading Limited (the "Singapore Stock Exchange"). The principal activity of the Company is that of an investment holding. The principal activities of the Group are manufacturing and sale of aluminium extrusion products, manufacturing and sale of polyethylene pipes and trading of aluminium alloy, polyethylene pipes and related products. All companies comprising the Group have adopted 31 December as their financial year end date.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

The interim condensed financial information comprises the audited company and consolidated statements of financial position as at 31 December 2009, the unaudited company and consolidated statements of financial position as at 30 June 2010; the unaudited consolidated statement of comprehensive income; the unaudited consolidated statement of cash flows and the unaudited company and consolidated statements of changes in equity for the three and six months ended 30 June 2009 and 2010; and certain explanatory notes. The interim condensed financial information have been prepared by the directors in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB") and the applicable disclosure requirements set out in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

The significant accounting policies adopted in the preparation of the interim condensed financial information are consistent with those adopted in the preparation of the Financial Information for each of the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2009 and 2010, details of which are set out in note 1 of Section B of the Financial Information as set out in Appendix I to the listing document of the Company dated 21 September 2010 in connection with the proposed listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

3. ADOPTION OF AMENDMENTS AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

For the purpose of preparing and presenting the interim condensed financial information, the Group has adopted all the new and revised IFRSs that require retrospective application that are relevant to the Group's operations as of the beginning of the respective periods.

The Group has not early adopted the following new/revised IFRSs issued by the IASB that are not yet effective, but potentially relevant to the Group.

IAS 24 (Revised)	Related Party Disclosures [3]
IFRS 9	Financial Instruments [4]
Amendments to IAS 32	Classification of Right Issues [1]
IFRIC – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments [2]

[1] Effective for annual periods beginning on or after 1 February 2010

[2] Effective for annual periods beginning on or after 1 July 2010

[3] Effective for annual periods beginning on or after 1 January 2011

[4] Effective for annual periods beginning on or after 1 January 2013

IAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government.

IFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace IAS 39 "Financial Instruments: Recognition and Measurement". This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of IAS 39.

Except for the above mentioned standards or interpretations, the Group is in the process of making an assessment of the potential impact of these standards, amendments or interpretations and the directors so far concluded that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

4. TURNOVER

Revenue recognised as turnover of the Group is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2010	**2009**	**2010**	**2009**
	S$'000 *(Unaudited)*	***S$'000*** *(Unaudited)*	***S$'000*** *(Unaudited)*	***S$'000*** *(Unaudited)*
Continuing operations				
Sales of aluminium alloy extrusion products	45,482	36,047	89,997	65,777
Sales of polyethylene pipes	2,081	1,748	3,619	3,239
	47,563	37,795	93,616	69,016
Discontinued operations				
Agency and procurement of aluminium alloy, polyethylene pipes and related products	–	–	–	978
	47,563	37,795	93,616	69,994

5. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has three reportable segments, of which the Agency and Procurement Division has discontinued its operations in the financial year ended 31 December 2009. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Aluminium Alloy Division – manufacturing and sale of aluminium alloy extrusion products;
- Polyethylene Pipe Division – manufacturing and sale of polyethylene pipes;
- Agency and Procurement Division – agency and procurement of aluminium alloy, polyethylene pipes and other related products;

Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-makers for assessment of segment performance.

Three months ended 30 June 2010

	Continuing operations			
	Aluminium Alloy Division	Polyethylene Pipe Division	Unallocated	Total
	S$'000 *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*
Turnover	45,482	2,081	–	47,563
Result				
Segment result	12,234	153	–	12,387
Unallocated corporate expenses	–	–	(772)	(772)
Finance costs	(740)	(60)	(1)	(801)
Share of profit of an associate	–	–	2,424	2,424
Profit before income tax expense	11,494	93	1,651	13,238
Other information				
Additions of property, plant and equipment	30,441	1	4	30,446
Depreciation of property, plant and equipment	2,330	199	9	2,538
Amortisation of land use rights and prepaid rental	110	5	–	115

Six months ended 30 June 2010

	Continuing operations			
	Aluminium Alloy Division	Polyethylene Pipe Division	Unallocated	Total
	S$'000 *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*
Turnover	89,997	3,619	–	93,616
Result				
Segment result	23,662	180	–	23,842
Unallocated corporate expenses	–	–	(1,598)	(1,598)
Finance costs	(930)	(75)	(1)	(1,006)
Share of profit of an associate	–	–	4,085	4,085
Profit before income tax expense	22,732	105	2,486	25,323
Other information				
Additions of property, plant and equipment	59,355	1	4	59,360
Depreciation of property, plant and equipment	4,574	402	15	4,991
Amortisation of land use rights and prepaid rental	211	9	–	220

Three months ended 30 June 2009

	Continuing operations				Discontinued operations	
	Aluminium Alloy Division	Polyethylene Pipe Division	Unallocated	Sub-total	Agency & Procurement Division	Total
	S$'000 *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*
Turnover	36,047	1,748	–	37,795	–	37,795
Result						
Segment result	13,011	92	–	13,103	(124)	12,979
Unallocated corporate expenses	–	–	(887)	(887)	–	(887)
Finance costs	(602)	(55)	–	(657)	–	(657)
Share of profit of an associate	–	–	213	213	–	213
Profit before income tax expense	12,409	37	(674)	11,772	(124)	11,648
Other information						
Additions of property, plant and equipment	10,349	2	–	10,351	–	10,351
Depreciation of property, plant and equipment	1,886	212	4	2,102	33	2,135
Amortisation of land use rights and prepaid rental	21	5	–	26	–	26

Six months ended 30 June 2009

	Continuing operations				Discontinued operations	
	Aluminium Alloy Division	Polyethylene Pipe Division	Unallocated	Sub-total	Agency & Procurement Division	Total
	S$'000 *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*	*S$'000* *(Unaudited)*
Turnover	65,777	3,239	–	69,016	978	69,994
Result						
Segment result	24,060	296	–	24,356	540	24,896
Unallocated corporate expenses	–	–	(1,530)	(1,530)	–	(1,530)
Finance costs	(1,166)	(97)	–	(1,263)	–	(1,263)
Share of profit of an associate	–	–	130	130	–	130
Profit before income tax expense	22,894	199	(1,400)	21,693	540	22,233
Other information						
Additions of property, plant and equipment	27,724	3	–	27,727	–	27,727
Depreciation of property, plant and equipment	4,011	449	4	4,464	65	4,529
Amortisation of land use rights and prepaid rental	45	9	–	54	–	54

The following is an analysis of the Group's turnover from continuing operations from its major customers. These turnovers are attributable to the Aluminium Alloy Division.

	Three months ended 30 June		Six months ended 30 June	
	2010	**2009**	**2010**	**2009**
	S$'000	***S$'000***	***S$'000***	***S$'000***
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Customer A	9,167	4,761	14,856	13,047
Customer B	17,793	5,583	30,630	11,684
Customer C	5,781	5,294	10,497	8,453
Customer D	N/A	N/A	N/A	N/A
Customer E	N/A	6,353	N/A	9,898

6. OTHER OPERATING INCOME

	Three months ended 30 June		Six months ended 30 June	
	2010	**2009**	**2010**	**2009**
	S$'000	***S$'000***	***S$'000***	***S$'000***
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Continuing operations				
Income from disposal of scrap materials	226	37	348	133
Interest income	224	28	283	52
	450	65	631	185

7. PROFIT BEFORE INCOME TAX EXPENSE

(a) Profit before income tax expense from continuing operations is arrived at after charging:

	Three months ended 30 June		Six months ended 30 June	
	2010	**2009**	**2010**	**2009**
	S$'000	***S$'000***	***S$'000***	***S$'000***
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Depreciation of property, plant and equipment	2,538	2,102	4,991	4,464
Amortisation of prepaid rental and land use rights	115	26	220	54
Operating lease rentals – properties	72	38	122	93
Staff costs	2,937	2,077	5,664	3,781
Cost of inventories sold	32,171	22,191	63,198	40,212

(b) Discontinued operations

In March 2009, the Group ceased its business of agency and procurement division. The turnover, results and cash flows of agency and procurement division were as follows:

	Three months ended 30 June		Six months ended 30 June	
	2010	**2009**	**2010**	**2009**
	S$'000 *(Unaudited)*	***S$'000*** *(Unaudited)*	***S$'000*** *(Unaudited)*	***S$'000*** *(Unaudited)*
Profit for the period from discontinued operations				
Turnover *(note 4)*	–	–	–	978
Cost of sales	–	–	–	(182)
Gross profit	–	–	–	796
Selling and distribution expenses	–	(8)	–	(32)
Administrative expenses	–	(116)	–	(224)
(Loss)/profit before income tax expense	–	(124)	–	540
Income tax credit/(expense)	–	35	–	(134)
(Loss)/profit for the period from discontinued operations	–	(89)	–	406
Cash flows from discontinued operations				
Net cash outflows from operating activities	–	(19)	–	(274)
Net cash outflows	–	(19)	–	(274)

8. FINANCE COSTS

	Three months ended 30 June		Six months ended 30 June	
	2010	**2009**	**2010**	**2009**
	S$'000 *(Unaudited)*	***S$'000*** *(Unaudited)*	***S$'000*** *(Unaudited)*	***S$'000*** *(Unaudited)*
Continuing operations				
Interest on bank borrowings				
Wholly repayable within five years	1,252	413	2,392	735
Not wholly repayable within five years	411	96	701	195
	1,663	509	3,093	930
Bank charges	475	85	484	112
Interest on discounted notes receivables	105	63	184	221
Total borrowing costs	2,243	657	3,761	1,263
Less: Amount capitalised *(note i)*	(1,442)	–	(2,755)	–
	801	657	1,006	1,263

Note:

(i) Borrowing costs capitalised during the periods arose on the specific and general borrowing pools. The borrowing costs capitalised arising on the general borrowing pools are calculated by applying a capitalisation rate of 5.35% to expenditure on qualifying assets for the three and six months ended 30 June 2010.

9. INCOME TAX EXPENSE

	Three months ended 30 June		Six months ended 30 June	
	2010	**2009**	**2010**	**2009**
	S$'000 *(Unaudited)*	***S$'000*** *(Unaudited)*	***S$'000*** *(Unaudited)*	***S$'000*** *(Unaudited)*
Continuing operations				
Provision for income tax for the period	2,154	2,260	4,301	4,154

The Company is incorporated in Singapore and accordingly, is subject to income tax rate of 17%.

Pursuant to the income tax rules and regulations of the PRC, PRC subsidiaries are liable to PRC enterprise income tax as follows:

- Prior to 1 January 2008, PRC subsidiaries were, in general, subject to the enterprise income tax rate of 33%, consisting 30% state tax and 3% local tax, on their assessable profits. On 16 March 2007, the Fifty Plenary Session of the Tenth National People's Congress passed the PRC Enterprise Income Tax Law which took effect on 1 January 2008. As a result of the PRC Enterprise Income Tax Law, the enterprise income tax rate in the PRC is reduced from 33% to 25%.
- Jilin Midas is entitled to exemption from PRC enterprise income tax for its profit derived from its second production line for the two years commencing from its first profit making year in 2006, followed by a 50% reduction in PRC enterprise income tax for the next three years through 2010.

10. DIVIDEND

	Six months ended 30 June	
	2010	**2009**
	S$'000 *(Unaudited)*	***S$'000*** *(Unaudited)*
Dividends recognised as distribution:		
2008 final dividends of S$0.0025 per ordinary share	–	2,111
2009 first interim dividends of S$0.0025 per ordinary share	–	2,111
2009 final dividends of S$0.0025 per ordinary share	2,411	–
2010 first interim dividends of S$0.0025 per ordinary share	2,411	–
	4,822	4,222

Subsequent to the end of the reporting period, the Directors declared a second quarter dividend of S$0.0025 (2009: S$0.0025) per ordinary share amounting to S$2,411,000 (2009: S$2,411,000). The declared dividends had not been recognised as a liability as at 30 June 2010.

11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Three months ended 30 June		Six months ended 30 June	
	2010	**2009**	**2010**	**2009**
	S$'000 *(Unaudited)*	***S$'000*** *(Unaudited)*	***S$'000*** *(Unaudited)*	***S$'000*** *(Unaudited)*
Earnings				
Profit arising from continuing operations attributable to owners of the Company	11,084	9,512	21,022	17,539
(Loss)/profit arising from discontinued operations attributable to owners of the Company	–	(89)	–	406
Earnings for the purpose of basic and diluted earnings per share, being profit for the period attributable to owners of the Company	11,084	9,423	21,022	17,945

	Three months ended 30 June		Six months ended 30 June	
	2010	2009	2010	2009
	'000 (Unaudited)	*'000* (Unaudited)	*'000* (Unaudited)	*'000* (Unaudited)
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings per share	964,368	844,368	964,368	844,368
Effect of dilutive potential ordinary shares:				
Effects of dilution – share options	3,036	830	3,110	219
Weighted average number of ordinary shares for the purpose of diluted earnings per share	967,404	845,198	967,478	844,587

	Three months ended 30 June		Six months ended 30 June	
	2010	2009	2010	2009
	S cents (Unaudited)	*S cents* (Unaudited)	*S cents* (Unaudited)	*S cents* (Unaudited)
Basic earnings per share	1.15	1.12	2.18	2.13
– from continuing operations	1.15	1.13	2.18	2.08
– from discontinued operations	–	(0.01)	–	0.05
Diluted earnings per share	1.15	1.11	2.17	2.13
– from continuing operations	1.15	1.11	2.17	2.08
– from discontinued operations	–	–	–	0.05

A batch of 7,250,000 and 4,000,000 share options did not have dilutive effect on the Group's earnings per share for the six months period ended 30 June 2009 and 2010 respectively because the average market price per ordinary share of the Company during the periods was below the exercise price of the share option granted.

12. PROPERTY, PLANT AND EQUIPMENT

The Group spent approximately S$27,727,000 and S$59,360,000 on the acquisition of property, plant and equipment during the six months ended 30 June 2009 and 2010 respectively.

13. TRADE AND OTHER RECEIVABLES

The Group

	As at 30 June 2010	As at 31 December 2009
	S$'000	*S$'000*
	(Unaudited)	*(Audited)*
Trade receivables	59,921	47,552
Allowance for doubtful trade receivable	(378)	(377)
	59,543	47,175
Deposits and prepayments	10,111	5,518
Notes receivables	252	45
Non-trade amount due from an associate	1,822	1,817
Other receivables	3,584	379
	75,312	54,934

The Company

	As at 30 June 2010	As at 31 December 2009
	S$'000	*S$'000*
	(Unaudited)	*(Audited)*
Deposits and prepayments	3,238	493
Non-trade amount due from an associate	1,817	1,817
Other receivables	6	25
	5,061	2,335

Trade receivables are non-interest bearing and are generally on 90 to 120 days credit terms.

Non-trade amount due from an associate which mainly related to dividend receivable from an associate is unsecured, non-interest bearing and repayable on demand.

The ageing analysis of the Group's trade receivables at the end of each reporting period is as follows:

	As at 30 June 2010	As at 31 December 2009
	S$'000	*S$'000*
	(Unaudited)	*(Audited)*
Within 90 days	48,407	35,640
Over 90 days and within 120 days	7,166	1,819
Over 120 days and within 6 months	3,420	3,891
Over 6 months and within 1 year	563	3,247
Over 1 year and within 2 years	290	2,346
Over 2 years	75	609
	59,921	47,552

14. TRADE AND OTHER PAYABLES

The Group

	As at 30 June 2010	As at 31 December 2009
	S$'000	*S$'000*
	(Unaudited)	*(Audited)*
Trade payables	8,429	5,511
Notes payable	9,727	2,055
Other payables and accruals	2,697	1,410
Advance from customers		
– Third parties	9,463	1,291
– Associate	–	3,192
	30,316	13,459

The Company

	As at 30 June 2010	As at 31 December 2009
	S$'000	*S$'000*
	(Unaudited)	*(Audited)*
Other payables and accruals	11	105

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 days terms while other payables have an average term of 30 days.

Advance from an associate is trade in nature, unsecured and non-interest bearing.

The ageing analysis of the Group's trade payables at the end of each reporting period is as follows:

	As at 30 June 2010	As at 31 December 2009
	S$'000	*S$'000*
	(Unaudited)	*(Audited)*
Within 90 days	8,258	5,379
Over 90 days and within 6 months	33	119
Over 6 months and within 1 year	128	3
Over 1 year	10	10
	8,429	5,511

The carrying amounts of trade and other payables approximate their fair values.

15. BANK BORROWINGS

The Group

	As at 30 June 2010	As at 31 December 2009
	S$'000 (*Unaudited*)	*S$'000* (*Audited*)
Secured bank borrowings *(note i)*	98,611	84,852
Unsecured bank borrowings *(note ii)*	49,079	11,898
	147,690	96,750
Carrying amount repayable:		
Within one year	97,353	80,104
Between one to two years	–	–
Between two to five years	35,898	11,648
Over five years	14,439	4,998
	147,690	96,750
Less: Amounts due within one year shown under current liabilities	(97,353)	(80,104)
	50,337	16,646

The effective interest rates, which are also equal to contracted interest rates, per annum are as follows:

	As at 30 June 2010	As at 31 December 2009
	% (*Unaudited*)	*%* (*Audited*)
Short-term loans	4.86-6.37	4.78-6.37
Long-term loans	5.94	5.94

The bank borrowings carried interest rates ranging from 90% to 120% of the benchmark interest rate as quoted by the People's Bank of China.

Bank borrowings are all denominated in Renminbi as at respective reporting dates.

Notes:

(i) The bank borrowings were secured by certain property, plant and equipment, land use rights and various trade receivables owned by the Group with net book value of about S$160.9 million (31 December 2009:S$ 105.6 million).

(ii) The bank borrowings were guaranteed by Jilin Midas Aluminium Industries Co., Ltd and Small and Medium Enterprise Credit Guarantee Centre (中小企信用擔保中心).

16. OPERATING LEASE COMMITMENTS

At 31 December 2009 and 30 June 2010, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

The Group

	As at 30 June 2010	As at 31 December 2009
	S$'000 *(Unaudited)*	***S$'000*** *(Audited)*
Within one year	263	267
After one year but within five years	405	541
	668	808

The Group leases a number of properties under operating leases. Leases are negotiated for an average term of 3 to 5 years and rentals are fixed for an average of 3 to 5 years. These leases have no escalation clauses, restriction and do not provide contingent rents.

17. CAPITAL COMMITMENTS

The Group

	As at 30 June 2010	As at 31 December 2009
	S$'000 *(Unaudited)*	***S$'000*** *(Audited)*
Commitments for the acquisition of property, plant and equipment:		
– contracted but not provided for	47,441	52,025

18. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

In addition to the information disclosed in the interim condensed financial information, significant related party transactions between the Group and its related parties during the period were as follows:

Related party relationship	Type of transaction	Three months ended 30 June		Six months ended 30 June	
		2010	2009	2010	2009
		S$'000 *(Unaudited)*	***S$'000*** *(Unaudited)*	***S$'000*** *(Unaudited)*	***S$'000*** *(Unaudited)*
Associate	Sales of goods	3,821	2,223	8,960	2,783

(b) Compensation of key management personnel

Remuneration of key management personnel of the Group, including certain amounts paid or payable to the Company's directors during the period is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2010	**2009**	**2010**	**2009**
	S$'000	***S$'000***	***S$'000***	***S$'000***
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Salaries and other short-term employee benefits	265	177	531	354
Contribution to defined contributions plans	4	4	8	8
	269	181	539	362

19. APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION

The interim condensed financial information were approved and authorised to issue by the board of directors on 21 September 2010.

B. REPORT FROM THE JOINT REPORTING ACCOUNTANTS

The following is the text of a report received from the joint reporting accountants of the Company, BDO Limited, Certified Public Accountants, Hong Kong and BDO LLP, Certified Public Accountants, Singapore, for the purpose of inclusion in this Listing Document.

BDO

21 September 2010

The Board of Directors
Midas Holdings Limited

Dear Sirs,

INTRODUCTION

We have reviewed the interim financial information of Midas Holdings Limited (the "Company") and its subsidiary (hereinafter collectively referred to as the "Group") set out on pages IA-1 to IA-23 which comprise the audited company and consolidated statements of financial position as at 31 December 2009, the unaudited company and consolidated statements of financial position as at 30 June 2010; the unaudited consolidated statement of comprehensive income; the unaudited consolidated statement of cash flows and the unaudited company and consolidated statements of changes in equity for the three and six months ended 30 June 2009 and 2010; and certain explanatory notes. The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board.

The directors of the Company are responsible for the preparation and presentation of these interim financial information in accordance with IAS 34.

Our responsibility is to express a conclusion on these interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review which does not constitute an audit, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Yours faithfully,

BDO LLP
Public Accountants and
Certified Public Accountants
19 Keppel Road
#02-01 Jit Poh Building
Singapore 089058

BDO Limited
Certified Public Accountants
Lee Ka Leung, Daniel
Practising Certificate Number: P01220
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

REPORT ON PRO FORMA FINANCIAL INFORMATION

For illustrative purpose, the unaudited pro forma financial information prepared in accordance with paragraph 29 of Chapter 4 of the Listing Rules, is set out here to provide prospective investors with further information about how the financial information of Midas Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") might be affected by completion of the Global Offering as if the Global Offering had been completed on 31 March 2010. The statement has been prepared for illustrative purpose only and because of its nature, it may not give a true picture of the Group's financial condition on the completion of the Global Offering.

(A) UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted net tangible assets of the Group is based on the audited consolidated net assets of our Group as at 31 March 2010, as shown in the Accountants' Report, the text of which is set out in Appendix I to this prospectus and adjusted as described below:

	Audited consolidated net tangible assets attributable to equity holders of our company as at 31 March 2010(1)	Estimated proceeds from issue of Offer Shares(2)	Unaudited pro forma adjusted net tangible assets	Unaudited pro forma adjusted net tangible assets per Share(3)	
	S$'000	*S$'000*	*S$'000*	*S$*	*HK$*
Based on the Offer Price of HK$6.10 per Share	327,737	218,073	545,810	0.46	2.67

(1) As of 31 March 2010, our audited consolidated net tangible assets attributable to equity holders of our company was equal to equity attributable to equity holders of our company less the intangible assets.

(2) The estimated net proceeds from the Global Offering are based on the hypothetical Offer Price of HK$6.10, per Offer Share assuming no exercise of the Over-allotment Option, after deduction of underwriting fees and estimated expenses payable by us in connection with the Global Offering and the translation of Hong Kong dollars to Singapore dollars with the exchange rate at S$1.00 to HK$5.81.

(3) The unaudited pro forma adjusted net tangible assets per Share is based on a total of 1,184,367,800 Shares expected to be in issue immediately following the completion of the Global Offering (assuming no exercise of the Over-allotment Option) and assumes the translation of Hong Kong dollars to Singapore dollars with the exchange rate at S$1.00 to HK$5.81.

(4) By comparing the valuation of our property interests as set out in Appendix III to this prospectus and the unaudited net book value of these properties of 31 July 2010, the valuation surplus was approximately S$30.6 million, which has not been included in the above net tangible assets. The valuation surplus of our property interests will not be incorporated in our future financial statements. If the valuation surplus were to be included in our future financial statements, an additional deprecation charge of approximately S$0.6 million per annum would be incurred.

(5) A final dividend of S$0.0025 per share amounting to S$2,411,000 was declared to the Shareholders in February 2010 which has not been taken into account in the above computation of unaudited pro forma adjusted net tangible assets. The unaudited pro forma adjusted net tangible assets per Share after payment of the final dividend would be S$0.46 (equivalent to approximately HK$2.67).

(B) COMFORT LETTER ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

BDO

21 September 2010

The Directors
Midas Holdings Limited

Dear Sirs,

We report on the unaudited pro forma statement of adjusted net tangible assets ("Unaudited Pro Forma Financial Information") of Midas Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which has been prepared by the directors of the Company (the "Directors") for illustrative purposes only, to provide information about how the proposed global offering might have affected the financial information presented, for inclusion in Section A of Appendix II of the prospectus dated 21 September 2010 (the "Prospectus"). The basis of preparation of the Unaudited Pro Forma Financial Information is set out on Section A of Appendix II to the Prospectus.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the Directors to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or review made in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Our work has not been carried out in accordance with the auditing standards or other standards and practices generally accepted in the United States or auditing standards of the Public Company Accounting Oversight Board (United States) and accordingly should not be relied upon as if it has been carried out in accordance with those standards.

The Unaudited Pro Forma Financial Information is for illustrative purpose only, based on the judgements and assumptions of the Directors, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of the financial position of the Group as at 31 March 2010 or any future date.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company's Shares, the application of those net proceeds, or whether such use will actually take place as described under "Use of Proceeds" set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

BDO LLP
Public Accountants and
Certified Public Accountants
19 Keppel Road
#02-01 Jit Poh Building
Singapore 089058

BDO Limited
Certified Public Accountants
Lee Ka Leung, Daniel
Practising Certificate Number: P01220
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

The following is the text of a letter with the summary of values and valuation certificates received from CB Richard Ellis Limited, prepared for the purpose of incorporation in the prospectus, in connection with their valuation as at 31 July 2010 of all the property interests of the Group.

CBRE
CB RICHARD ELLIS
世邦魏理仕

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21 September 2010

The Board of Directors
Midas Holdings Limited
2 Shenton Way
#04-01 SGX Centre 1
Singapore 068804

Dear Sirs,

In accordance with your instructions for us to value the property interests held by Midas Holdings Limited (the "Company") and its subsidiaries (hereinafter together know as the "Group") in the People's Republic of China (the "PRC"). We confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital values of such property interests as at 31 July 2010 (the "date of valuation").

Our valuation is our opinion of Market Value which is defined to mean "the estimated amount for which a property should exchange on the date of valuation 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."

Unless otherwise stated, our valuation is prepared in accordance with the "First Edition of The HKIS Valuation Standards on Properties" published by The Hong Kong Institute of Surveyors ("HKIS"). We have also complied with all the requirements contained in Paragraph 46 of Schedule 3 of the Companies Ordinance (Cap. 32), Chapter 5, Practice Note 12 and Practice Note 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Our valuation has been made on the assumption that the owner sells the properties on the open market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which would serve to increase the values of the property interests.

Under otherwise stated, all the property interests are valued by the Depreciated Replacement Cost method. Depreciated Replacement Cost is based on an estimate of the market value for the existing use of the land, plus the current gross replacement (or reproduction) costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence and optimisation. In the valuation of the land portion, reference has been made to the standard land prices and the sales evidence as available to us in the locality.

Where due to the specific purpose for which the buildings and structures of the property interests have been constructed, or where the property interests are located in markets where there are no readily identifiable market comparables, the property interests have been valued on the basis of the depreciated replacement cost. The depreciated replacement cost approach considers the cost to reproduce or replace in new condition the property appraised in accordance with current construction costs for similar property in the locality, with allowance for accrued depreciation as evidence by observed condition or obsolescence present, whether arising from physical, functional or economic causes. The depreciated replacement cost approach generally furnishes the most reliable indication of value for property in the absence of a known market based on comparable sales.

In valuing the property interests in Group I, which is held by the Group for occupation in the PRC, we have valued each of these property interests by the depreciated replacement cost approach.

For the property interests in Group II which are rented by the Group in the PRC, are considered to have no commercial value due mainly to the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rent.

In the course of our valuation for the property interests in the PRC, we have relied on the legal opinion provided by the Group's PRC legal adviser, Jingtian & Gongcheng Law Offices (the "PRC Legal Opinion"). We have been provided with extracts from title documents relating to such property interests. We have not, however, searched the original documents to verify ownership or existence of any amendment which does not appear on the copies handed to us. All documents have been used for reference only.

We have relied to a considerable extent on information given by the Group, in particular, but not limited to, the statutory notices, easements, tenancies and floor areas. No on-site measurement has been taken. Dimensions, measurements and areas included in the valuation certificates are only approximations. We have taken every reasonable care both during inspecting the information provided to us and in making relevant enquiries. We have no reason to doubt the truth and accuracy of the information provided to us by the Company, which is material to the valuation. We were also advised by the Group that no material facts have been omitted from the information provided to us.

We have inspected the properties to such extent as for the purpose of this valuation. In the course of our inspection, we did not notice any serious defects. However, we have not carried out any structural survey nor any tests were made on the building services. Therefore, we are not able to report whether the properties are free of rot, infestation or any other structural defects. We have not carried out investigations on the site to determine the suitability of the ground conditions and the services etc. for any future development.

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

Unless otherwise stated, all monetary amounts are stated in Renminbi ("RMB").

We enclose herewith a summary of valuation and our valuation certificates.

Yours faithfully,
For and on behalf of
CB Richard Ellis Limited
Leo M Y Lo
Director
Valuation & Advisory Services

Note: Mr. Lo is a member of Royal Institution of Chartered Surveyors and a member of the Hong Kong Institute of Surveyors. He has over 6 years' valuation experience in the PRC and Hong Kong.

SUMMARY OF VALUES

	Property Interests	Capital Value in existing state as at 31 July 2010	Interests attributable to the Group	Capital Value attributable to the Group as at 31 July 2010
		(RMB)		*(RMB)*
Group I – Property interests held by the Group for occupation in the PRC				
1.	An Industrial Complex located at No. 108 Yongle South Road, Hi-tech Development Zone, Ruicheng County, Yuncheng City, Shanxi Province, the People's Republic of China	13,000,000	100%	13,000,000
2.	An Industrial Complex located in Industrial Development Zone, Liaoyuan City, Jilin Province, the People's Republic of China	334,900,000	100%	334,900,000
3.	An Industrial Complex located in Gongnong Town, Liaoyuan City, Jilin Province, the People's Republic of China	116,100,000	100%	116,100,000
			Group I Sub-total:	464,000,000
Group II – Property interests rented by the Group in the PRC				
4.	An Office Unit, located in Room 2007, Floor 18, Building No. 3, Dong Da Qiao Road, Chaoyang District, Beijing City, the PRC			No commercial value
			Group II Sub-total:	No commercial value
			Grand total:	464,000,000

VALUATION CERTIFICATE

Group I – Property interests held by the Group for occupation in the PRC

	Property	Description and tenure	Details of occupancy	Capital value in existing state as at 31 July 2010
				(RMB)
1.	An Industrial Complex located in No. 108 Yongle South Road, Hi-tech Development Zone, Ruicheng County, Yuncheng City, Shanxi Province, the People's Republic of China	The property comprises various 1-4 storey buildings and structures erected on a site with a land area of approximately 28,719.09 sq.m.. The buildings and structures of the property comprises various workshop, warehouse, staff dormitory, office building and other ancillary facilities with a total gross floor area of approximately 10,812.25 sq.m. A breakdown of the gross floor area of the building and structures are shown as below: **Building No. / GFA (sq.m.)** 1# 141.74 2# 2,965.73 3# 246.96 4# 58.98 5# 215.00 6# 4,227.72 7# 1,930.56 8# 173.90 9# 736.96 10# 114.70 Total: 10,812.25 As advised by the Group, the buildings and structure were completed in year 2000. The property is held under two Real Estate Title Rights Certificates with a land use term expiring on 17 November 2049 for industrial use.	The property is currently occupied by the company as workshop, logistic warehouse, staff dormitory, office building and other ancillary facilities.	13,000,000 (100% interests attributable to the Group: RMB13,000,000)

Notes:

(a) Pursuant to a State-owned Land Use Rights Grant Contract dated 9 November 1999 entered into between Shanxi Province Ruicheng County Land and Resources Bureau and the Group, the land use rights of the property with a total land area of 28,566.60 sq.m. has been contracted to be granted to the Group at a consideration of RMB380,000.

(b) Pursuant to a State-owned Land Use Rights Certificate Rui Guo Yong (2004) No.96035 dated 1 June 2004 issued by Ruicheng County People Government, the land use rights of the property with a total land area of approximately 28,719.09 sq.m has been granted to the Group with a land use term expiring on 17 November 2049 for industrial use.

(c) Pursuant to the following Real State Title Certificates issued by Ruicheng County People's Government, the building ownership of the property with a total gross floor area of approximately 10,812.25 sq.m. has been granted to the Group.

Real Estate Title Certificate Number	Date of Issuance	Gross Floor Area	Use/Date of Expiry
		(sq.m.)	
Rui Fang Quan Zheng (2004) Zi No. 270020-01	1 June 2004	1#:141.74 2#:2,965.73 3#:246.96 4#:58.98 5#:215.00	Industrial: 17 November 2049
Rui Fang Quan Zheng (2004) Zi No. 270020-02	1 June 2004	6#:4,227.72 7#:1,930.56 8#:173.90 9#:736.96 10#:114.70	Industrial: 17 November 2049
	Total:	10,812.25	

(d) We have been provided with a legal opinion on the property prepared by the Group's legal adviser, which contains, inter alia, the following information:

(i) The State-owned land use rights are legally obtained and held by the Group and the Group is the only lawful owner of such land use right.

(ii) The Group has all necessary authorisation and power to occupy and use the above mentioned pieces of land for industry use purpose and transfer the above mentioned pieces of land according to relevant PRC laws.

(iii) The Group has the right to lease and set mortgage or other encumbrance on the State-owned land use rights.

(iv) Based on the legal advisor's due diligence and the confirmation by the Group, as of the date of this Legal Opinion there are no material and adverse circumstances such as seizure by court or other judicial coercive measures existing on the above mentioned pieces of land.

(v) Each of the house property ownership rights mentioned above is legally obtained and held by the Group and the Group is the only lawful owner of the above mentioned houses.

(vi) The Group has all necessary authorisation and power to occupy and use and transfer the above mentioned houses according to relevant PRC laws.

(vii) The Group has the right to lease, sell and create mortgage or other encumbrance on the house property ownership.

(viii) Based on the legal advisor's due diligence and the confirmation of the Group, as of the date of this Legal Opinion there are no material and adverse circumstances such as seizure by court or other judicial coercive measures existing on the above mentioned houses.

VALUATION CERTIFICATE

	Property	Description and tenure	Details of occupancy	Capital value in existing state as at 31 July 2010
				(RMB)
2.	An Industrial Complex located in Industrial Development Zone, Liaoyuan City, Jilin Province, the People's Republic of China	The property comprises the completed portion and the under development portion erected on a site with a total land area of approximately 374,800 sq.m. The completed portion comprise offices, workshops and complex with a total gross floor area of approximately 81,845.91 sq.m. The under development portion of the property is planned to be completed in 2010 and the total gross floor area of the under development portion is approximately 53,596 sq.m. A breakdown of the gross floor area of the building and structures are shown as below:	Part of the property is currently occupied by the Group as workshops, office buildings and complex building, part of the property is under development.	334,900,000 (100% interests attributable to the Group: RMB334,900,000)

Building	GFA (sq.m.)
Office building	416.10
Workshop	18,247.05
Office building	416.10
Workshop	12,031.80
Workshop	12,031.80
Workshop	12,031.80
Workshop	17,787.86
Complex building	8,883.40
Total:	81,845.91

As advised by the Group, the property was completed in 2008.

The completed portion is held under eight Real Estate Title Certificates with two land use terms expiring on 16 June 2059 or 26 April 2054 for industrial use.

Notes:

(a) Pursuant to a State-owned Land Use Rights Grant Contract dated 22 July 2009 entered into between Liaoyuan City Land and Resources Bureau and the Group, the land use rights of the property with a total land area of 165,000 sq.m. has been contracted to be granted to the Group at a consideration of RMB33,858,000.

(b) Pursuant to the Land Transfer Agreement dated 30 December 2008 entered into between Jilin Liaoyuan Economic Development Zone Administration Committee and Liaoyuan Jiali Light Alloy Co., Ltd., the land use right of the property with a total land area of 209,800 sq.m. and buildings on the land have been transferred to Liaoyuan Jiali Light Alloy Co., Ltd. at a consideration of RMB28,365,000.

(c) Pursuant to the following State-owned Land Use Rights Certificate, the land use rights of the property with a total land area of approximately 374,800 sq.m. have been granted to the Group:

State-owned Land Use Rights Certificate Number	Date of Certificate	Site Area	Use/Date of Expiry
		(sq.m.)	
Liao Guo Yong (2009) No. 040200029	24 April 2009	209,800	Industrial: 26 April 2054
Liao Guo Yong (2009) No. 040200040	17 June 2009	165,000	Industrial: 16 June 2059
	Total site area:	374,800	

(d) The above land use rights held by the Group were mortgaged to Agricultural Bank of China Liaoyuan Branch:

State-owned Land Use Rights Certificate Number	Mortgage Certificate Number	Commence Date	Term
Liao Guo Yong (2009) No. 040200029.	Liao Ta Xian (2009) No. 020	25 April 2009	3 years
Liao Guo Yong (2009) No. 040200040.	Liao Ta Xian (2009) No. 048	26 June 2009	3 years

(e) Pursuant to the following Real Estate Title Certificates issued by Liaoyuan City Real Estate Administration Bureau, the building ownership of the Property with a total gross floor area of approximately 81,845.91 sq.m. has been granted to the Group.

Real Estate Title Certificates Number	Address	Gross Floor Area	Date of Issuance
		(sq.m.)	
Liao Yuan Fang Quan Zheng Long Shan Zi No.099557	Development Zone	416.10	25 June 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No.099558	Development Zone	12,031.80	25 June 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No.099556	Development Zone	12,031.80	25 June 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No.099560	Development Zone	12,031.80	25 June 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No.099561	Development Zone	18,247.05	25 June 2009

Real Estate Title Certificates Number	Address	Gross Floor Area	Date of Issuance
		(sq.m.)	
Liao Yuan Fang Quan Zheng Long Shan Zi No.099559	Development Zone	416.10	25 June 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No.106280	Development Zone	17,787.86	26 November 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No.106279	Development Zone	8,883.40	26 November 2009
	Total:	81,845.91	

(f) Pursuant to the certificates issued by Liaoyuan City Real Estate Administration Bureau, the above real estate titles owned by the Group was mortgaged to Agricultural Bank of China Liaoyuan Branch:

Real Estate Title Certificates Number	Commence Date	Term	Date of Issuance
Liao Yuan Fang Quan Zheng Long Shan Zi No.099557	2 July 2009	3 years	6 July 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No.099558	2 July 2009	3 years	6 July 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No.099556	2 July 2009	3 years	6 July 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No.099560	2 July 2009	3 years	6 July 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No.099561	2 July 2009	3 years	6 July 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No.099559	2 July 2009	3 years	6 July 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No.106280	27 November 2009	3 years	27 November 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No.106279	27 November 2009	3 years	27 November 2009

(g) As advised by the Group, the Construction Works Planning Permit and Construction Works Commencement Permit of the under construction portion are not obtained, but pursuant to the confirmation letter issued by Liaoyuan Housing and Urban-Rural Development Bureau dated 11 March 2010, the construction works has been approved by the government. In course of valuation, we have assigned commercial value on the buildings and structures of under development property. Other documents related to the under construction portion of the property are obtained by the Group:

(1) The Planning Permit on Land for Construction Use (Jian Zi Di Liao Gui L2009-028) issued by Liaoyuan City Housing and Urban-Rural Development on 24 June 2009.

(2) The Land-use Permit for Construction (Liao Yuan 2009 Jian 036) issued by Liaoyuan City Bureau of Land and Resources on 28 June 2009.

(3) The Planning Permit on Construction Project (Jian Zi Di Liao Gui L2009-028) issued on 24 July 2009.

(h) We have been provided with a legal opinion on the property prepared by the Group's legal adviser, which contains, inter alia, the following information:

(i) The State-owned land use rights are legally obtained and held by the Group and the Group is the only lawful owner of such land use right.

(ii) The Group has all necessary authorisation and power to occupy and use the above mentioned pieces of land for industry use purpose and transfer the above mentioned pieces of land according to relevant PRC Laws and the relevant land use right grant agreements.

(iii) The Group has the right to lease and create mortgage or other encumbrance on the State-owned land use rights.

(iv) Based on the legal advisor's due diligence and the confirmation by the Group, as of the date of this Legal Opinion there are no material and adverse circumstances such as seizure by court or other judicial coercive measures existing on the above mentioned pieces of land.

(v) Each of the house property ownership rights mentioned above is legally obtained and held by the Group and the Group is the only lawful owner of such houses mentioned above.

(vi) The Group has all necessary authorisation and power to occupy and use and transfer the above mentioned houses in accordance with relevant PRC laws.

(vii) The Group has the right to lease, sell and create mortgage or other encumbrance on the house property ownership mentioned above.

(viii) Based on the legal advisor's due diligence and the confirmation by the Group, as of the date of this Legal Opinion there are no material and adverse circumstances such as seizure by court or other judicial coercive measures existing on the above mentioned houses.

(ix) The mortgages mentioned above are legal and effective and have been duly registered with the relevant government authorities.

(x) All approvals, permits and certificates have been obtained by Jilin Midas with respect to the Construction Project for its current construction stage.

VALUATION CERTIFICATE

	Property	Description and tenure	Details of occupancy	Capital value in existing state as at 31 July 2010
				(RMB)
3.	An Industrial Complex located in Gongnong Town, Liaoyuan City, Jilin Province, the People's Republic of China	The property comprises various 1 to 7 storeys buildings and structures erected on a site with a total land area of approximately 81,844 sq.m. The buildings and structures comprises various workshop, complex buildings, office and others with a total gross floor area of approximately 48,534.96 sq.m. A breakdown of the gross floor area of the building and structures are shown as below:	The property is currently occupied by the company as workshop, complex buildings, office and other uses.	116,100,000 (100% interests attributable to the Group: RMB116,100,000)

Building	GFA (sq.m.)
Workshop	875.20
Workshop	3,132.96
Other	887.02
Workshop	3,105.96
Workshop	4,439.36
Workshop	10,894.55
Complex	3,166.25
Other	78.53
Complex	3,558.10
Other	372.84
Workshop	1,415.64
Workshop	11,374.80
Other	50.40
Office	5,183.35
Total:	48,534.96

The buildings and structures were completed in 2000 and 2005 respectively.

The property is held under three State-owned Land Use Rights Certificates with various land use terms expiring on 20 December 2056, 4 June 2056 or 20 December 2051 respectively for industrial use.

Notes:

(a) Pursuant to a State-owned Land Use Rights Grant Contract dated 23 October 2006 entered into between Liaoyuan City Land and Resources Bureau and the Group, the land use rights of the property with a total land area of 9,600 sq.m. has been contracted to be granted to the Group at a consideration of RMB816,000.

(b) Pursuant to a State-owned Land Use Rights Grant Contract dated 4 June 2005 entered into between Liaoyuan City Land and Resources Bureau and the Group, the land use rights of the property with a total land area of 28,356 sq.m. has been contracted to be granted to the Group at a consideration of RMB2,381,904.

(c) Pursuant to a State-owned Land Use Rights Grant Contract dated 7 September 2001 entered into between Liaoyuan City Land and Resources Bureau and the Group, the land use rights of the property with a total land area of 13,125 sq.m. has been contracted to be granted to the Group at a consideration of RMB325,237.5.

(d) Pursuant to a State-owned Land Use Rights Grant Contract dated 7 September 2001 entered into between Liaoyuan City Land and Resources Bureau and the Group, the land use rights of the property with a total land area of 12,992 sq.m. has been contracted to be granted to the Group at a consideration of RMB321,941.76.

(e) Pursuant to a State-owned Land Use Rights Grant Contract dated 28 August 1998 entered into between Liaoyuan City Land and Resources Bureau and Liaoyuan City Aluminium Factory, the land use rights of the property with a total land area of 12,922 sq.m. has been contracted to be granted to the Group at a consideration of RMB193,830.

(f) Pursuant to a State-owned Land Use Rights Grant Contract dated 16 June 2000 entered into between Liaoyuan City Land and Resources Bureau and Liaoyuan City Aluminium Factory, the land use rights of the property with a total land area of 4,849.5 sq.m. has been contracted to be granted to the Group at a consideration of RMB383,110.5.

(g) Pursuant to the following State-owned Land Use Rights Certificates issued by Liao Yuan City People Government, the land use rights of the property with a total land area of approximately 81,844 sq.m has been granted to the Group.

State-owned Land Use Rights Certificate Number	**Date of Issuance**	**Site Area**	**Use/Date of Expiry**
		(sq.m.)	
Liao Guo Yong (2006) No.040200129	20 December 2006	9,600	Industrial: 20 December 2056
Liao Guo Yong (2006) No.040200074	18 July 2006	28,356	Industrial: 4 June 2056
Liao Guo Yong (2008) No.040200076	31 October 2008	43,888	Industrial: 20 December 2051
	Total:	81,844	

(h) The above land use rights held by the Group were mortgaged to China Construction Bank Liaoyuan Branch and Commercial Bank of China Limited Liaoyuan Branch Century Square Sub-branch respectively:

State-owned Land Use Rights Certificate Number	**Mortgage Certificate Number**	**Commence Date**	**Term**
Liao Guo Yong (2006) No.040200129	Liao Ta Xian (2008) No. 025	6 June 2008	2 years
Liao Guo Yong (2006) No.040200129	Liao Ta Xian (2008) No. 057	2 September 2008	2 years
Liao Guo Yong (2008) No.040200076	Liao Ta Xian (2009) No. 112	23 December 2009	7 years

(i) Pursuant to various Real State Title Certificates issued by Liaoyuan City Real Estate Administration Bureau, the building ownership of the property with a total gross floor area of approximately 48,534.96 sq.m. has been granted to the Group.

Real Estate Title Certificate Number	Address	Gross Floor Area
		(sq.m.)
Liao Yuan Fang Quan Zheng Long Shan Zi No. 078717	Fuzhen Street, Liaoyuan City	875.20
Liao Yuan Fang Quan Zheng Long Shan Zi No. 078716	Fuzhen Street, Liaoyuan City	3,132.96
Liao Yuan Fang Quan Zheng Long Shan Zi No. 078718	Fuzhen Street, Liaoyuan City	887.02
Liao Yuan Fang Quan Zheng Long Shan Zi No. 074825	Gongnong Town, Longshan District, Liaoyuan City	3,105.96
Liao Yuan Fang Quan Zheng Long Shan Zi No. 078719	Fuzhen Street, Liaoyuan City	4,439.36
Liao Yuan Fang Quan Zheng Long Shan Zi No. 074824	Gongnong Town, Longshan District, Liaoyuan City	10,894.55
Liao Yuan Fang Quan Zheng Long Shan Zi No. 074823	Gongnong Town	3,166.25
Liao Yuan Fang Quan Zheng Long Shan Zi No. 061090	Weitang Village, Gongnong Town	78.53
Liao Yuan Fang Quan Zheng Long Shan Zi No. 061085	Gongnong Town	3,558.10
Liao Yuan Fang Quan Zheng Long Shan Zi No. 061089	Gongnong Town, Longshan District, Liaoyuan City	372.84
Liao Yuan Fang Quan Zheng Long Shan Zi No. 061086	Gongnong Town, Longshan District, Liaoyuan City	1,415.64
Liao Yuan Fang Quan Zheng Long Shan Zi No. 061092	Gongnong Town, Longshan District, Liaoyuan City	11,374.80
Liao Yuan Fang Quan Zheng Long Shan Zi No. 061084	Gongnong Town, Longshan District, Liaoyuan City	50.40
Liao Yuan Fang Quan Zheng Long Shan Zi No. 061083	Gongnong Town, Longshan District, Liaoyuan City	5,183.35
	Total:	48,534.96

(j) Pursuant to the certificates issued by Liaoyuan City Real Estate Administration Bureau, the above real estate titles owned by the Group was mortgaged to China Construction Bank Liaoyuan Branch:

Real Estate Title Certificates Number	Commence Date	Term	Date of Issuance
Liao Yuan Fang Quan Zheng Long Shan Zi No. 078717	30 September 2007	3 years	30 September 2007
Liao Yuan Fang Quan Zheng Long Shan Zi No. 078716	30 September 2007	3 years	30 September 2007
Liao Yuan Fang Quan Zheng Long Shan Zi No. 078718	30 September 2007	3 years	30 September 2007
Liao Yuan Fang Quan Zheng Long Shan Zi No. 074825	2 September 2008	2 years	1 September 2008

Real Estate Title Certificates Number	Commence Date	Term	Date of Issuance
Liao Yuan Fang Quan Zheng Long Shan Zi No. 078719	2 July 2009	3 years	6 July 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No. 074824	6 June 2008	2 years	17 June 2008
Liao Yuan Fang Quan Zheng Long Shan Zi No. 074823	16 June 2009	1 year	24 June 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No. 061090	28 December 2009	Nil	28 December 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No. 061085	28 December 2009	Nil	28 December 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No. 061089	28 December 2009	Nil	28 December 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No. 061086	28 December 2009	Nil	28 December 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No. 061092	28 December 2009	Nil	28 December 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No. 061084	28 December 2009	Nil	28 December 2009
Liao Yuan Fang Quan Zheng Long Shan Zi No. 061083	28 December 2009	Nil	28 December 2009

(k) We have been provided with a legal opinion on the property prepared by the Group's legal adviser, which contains, inter alia, the following information:

(i) The State-owned land use rights are legally obtained and held by the Group and the Group is the only lawful owner of such land use right.

(ii) The Group has all necessary authorisation and power to occupy and use the above mentioned pieces of land for industry use purpose and transfer the above mentioned pieces of land according to relevant PRC Laws and the relevant land use right grant agreements.

(iii) The Group has the right to lease and create mortgage or other encumbrance on the State-owned land use rights.

(iv) Based on the legal advisor's due diligence and the confirmation by the Group, as of the date of this Legal Opinion there are no material and adverse circumstances such as seizure by court or other judicial coercive measures existing on the above mentioned pieces of land.

(v) Each of the house property ownership rights mentioned above is legally obtained and held by the Group and the Group is the only lawful owner of such houses mentioned above.

(vi) The Group has all necessary authorisation and power to occupy and use and transfer the above mentioned houses in accordance with relevant PRC laws.

(vii) The Group has the right to lease, sell and create mortgage or other encumbrance on the house property ownership mentioned above.

(viii) Based on the legal advisor's due diligence and the confirmation by the Group, as of the date of this Legal Opinion there are no material and adverse circumstances such as seizure by court or other judicial coercive measures existing on the above mentioned houses.

(ix) The mortgages mentioned above are legal and effective and have been duly registered with the relevant government authorities.

VALUATION CERTIFICATE

Group II – Property interests rented by the Group in the PRC

	Property	Description and tenure	Details of occupancy	Capital value in existing state as at 31 July 2010
				(RMB)
4.	An Office Unit, located in Room 2007, Floor 18, Building No. 3, Dong Da Qiao Road, Chaoyang District, Beijing City, the PRC	The property comprises an office unit with a total gross floor area of 232.14 sq.m.	The property is leased by Wang Wei to the Group for a term of 4 years from 20 October 2008 to 19 October 2012 at a monthly rent of RMB31,068 for the first two years and RMB32,621 for the next two years.	No commercial value

Notes:

(a) Pursuant to a tenancy agreement entered into between Wang Wei (王維) (Party A) and the Group (Party B) dated 5 September 2008, Party A agreed to lease the property to Party B for a term of 4 years commencing on the date of 20 October 2008.

(b) Pursuant to the Real Estate Title Certificate Jing Fang Quan Zheng Chao Zi No. 635944 the building ownership of the property with a gross floor area of approximately 232.14 sq.m. has been granted to Wang Wei (王維) for office use.

(c) We have been provided with a legal opinion on the property prepared by the Group's legal adviser, which contains, inter alia, the following information:

(i) The lease contract is legal, valid, binding and enforceable; the leaser has right to provide the room under the lease contract to Beijing Midas for office use in accordance with the lease contract.

(ii) Beijing Midas has right to occupy and use the room under the lease contract in accordance with the lease contract, although the lease contract has not been filed with relevant government authority, the validity and enforceability of the contract will not be affected.

SINGAPORE TAXATION

The following is a summary of certain Singapore income tax, stamp duty, goods and services tax, and estate duty consequences of purchasing, holding or disposal of our Shares. This summary is based on current tax laws in Singapore and is subject to changes in such laws, or in the interpretation thereof. Changes in tax laws may be effected retrospectively. Furthermore, while this summary is believed to be correct, no assurance can be given that courts or fiscal authorities responsible will agree with the interpretations taken herein. The statements made herein do not purport to be a comprehensive nor exhaustive description of all tax considerations that may be relevant to a decision to purchase, hold or dispose of our Shares and do not address the tax treatment of investors subject to specific rules.

Prospective investors should consult their own tax advisors regarding the Singapore and foreign income tax, stamp duty, estate duty and other tax consequences of purchasing, holding or disposing of our Shares. It is emphasised that neither we, our Directors, nor any other persons involved in this Global Offering accept responsibility for any tax effects or liabilities resulting from the purchase, holding or disposal of our Shares.

Income Tax

Corporate Income Tax

A company is tax resident in Singapore if the control and management of its business is exercised in Singapore.

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore. Tax exemption will be granted to a Singapore-resident company on its foreign-sourced dividend, foreign branch profits or foreign-sourced service income received in Singapore on or after 1 June 2003 provided that the following qualifying conditions are met:

(a) the foreign income had been subjected to tax in the foreign country from which they were received;

(b) the highest corporate tax rate (headline tax rate) of the foreign country from which income is received from is at least 15% in the year the income is received; and

(c) the Comptroller of Income Tax (the "Comptroller") is satisfied that the tax exemption would be beneficial to the company.

Pursuant to a tax concession granted with effect from 30 July 2004, the above exemption has been extended to specified foreign income which is exempted from tax of a similar character to income tax in the foreign jurisdiction as a result of a tax incentive granted by that foreign jurisdiction for carrying out substantive business activities therein, provided that the conditions in (b) and (c) above are also met.

If the foreign-sourced dividend income received by our Company does not qualify for the above tax exemption, it would generally be subject to Singapore income tax, after setting off attributable deductible expenses (if any), at the prevailing corporate tax rate. However, as a Singapore tax resident, our Company may be able to claim a credit for foreign tax suffered either unilaterally under Singapore domestic tax law or pursuant to a relevant double tax treaty such as the treaty with the PRC. The amount of foreign tax credit granted is generally restricted to the lower of Singapore tax payable on the foreign income after the deduction of attributable expenses and the foreign tax suffered on the same income.

Non-resident corporate taxpayers, with certain exceptions, are subject to Singapore income tax on income accruing in or derived from Singapore, and on foreign-sourced income received or deemed to be received in Singapore.

The corporate tax rate in Singapore is 17% with effect from the year of assessment 2010. In addition, three-quarters of up to the first S$10,000, and one-half of up to the next S$290,000, of a company's chargeable income otherwise subject to normal taxation is exempt from corporate tax.

Dividend distributions

With effect from 1 January 2003, Singapore has adopted a one-tier corporate tax system under which tax paid by a resident company on its chargeable income is a final tax. All dividends paid are tax exempt in the hands of its shareholders. There is no withholding tax on dividend payments to all shareholders.

Foreign shareholders are advised to consult their own tax advisers in respect of the tax laws of their respective countries of residence and the applicability of any double taxation agreement that their country of residence may have with Singapore.

Gains on disposal of Shares

Singapore currently does not impose tax on capital gains. However, there are currently no specific laws or regulations that address the characterisation of capital gains and hence gains arising from the disposal of the Shares may be construed to be of an income nature and subject to tax especially if they arise from activities which the Comptroller regards as the carrying on of a trade or business in Singapore.

Stamp duty

There is no stamp duty payable on the subscription of the Offer Shares.

Where an instrument of transfer is executed in respect of the Shares, stamp duty may be payable on such instrument of transfer at the rate of S$0.20 for every S$100 or any part thereof, computed on the consideration for or market value of the shares, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no instrument of transfer is executed or the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is received in Singapore.

The above stamp duty treatment is not applicable to electronic transfers of our Shares traded on the SGX-ST under the book-entry settlement system of CDP.

Goods & Services Tax ("GST")

The sale of our Shares by a GST-registered investor belonging in Singapore to another person belonging in Singapore is an exempt sale not subject to GST. Any GST directly or indirectly incurred by the investor in respect of this exempt sale is a cost to the investor.

Where our Shares are sold by a GST-registered investor to a person belonging to a country other than Singapore, the sale is a zero-rated sale (i.e. subject to GST at a zero tax rate). Any GST incurred by the investor in the making of this sale, if the same is a supply in the course or furtherance of a business, may be claimable as a refund from the Comptroller of GST.

Services such as brokerage, handling and clearing services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase, sale or holding of our Shares will be subject to GST at the current rate of 7%. Similar services rendered to an investor belonging to a country other than Singapore are however taxed at a zero tax rate (i.e. zero-rated).

Estate Duty

Singapore estate duty has been abolished with effect from 15 February 2008 on all deaths occurring on or after 15 February 2008.

PRC TAXATION

Enterprise Income Tax

According to the PRC EIT Law a uniform income tax rate of 25% has been applied towards foreign investment enterprises (the "**FIE**") and foreign enterprises which have set up institutions or facilities in the PRC, as well as PRC enterprises. The PRC EIT Law adopts some transitional preferential measures for enterprises established before the promulgation of the PRC EIT Law which enjoy low tax rates or tax reduction and exemption treatment for a fixed term under tax laws and administrative regulations in force at that time. According to these transitional measures, those which enjoy low tax rates will continue to enjoy the preferential treatment within five years from 1 January 2008 and will gradually transit to the 25% tax rate; those which enjoy the fixed term tax exemption may continue to enjoy the treatment until the fixed term expires. However, for enterprises that have not made any profits and thus not enjoyed such fixed term exemptions, the period for enjoying preferential income tax treatment will be calculated from the year in which the PRC EIT Law becomes effective.

Value-added Tax

Pursuant to the PRC Interim Regulations on Value-added Taxes which took effect on 1 January 2009 and its implementation rules, enterprises selling goods, providing processing and repair services and importing goods are generally required to pay the value-added tax. The value-added tax rate of the sale of goods in PRC is 13% or 17% (depending on different types of goods); the value-added tax rate of the processing and repair service is 17%. Manufacturing or trading companies which export their products are generally exempted from value-added tax.

Business Tax

Pursuant to the PRC Interim Regulations on Business Tax promulgated by the State Council in December 1993 and amended in November 2008 and its implementation rules, the tax rate of the provision of certain services, the transfer of immovable properties and intangible assets in the PRC is 5%.

Dividends from Our PRC Operations

Under the PRC Income Tax Law for Foreign-Invested Enterprises and Foreign Enterprises effective prior to 1 January 2008, dividends paid by FIE to its foreign investors were exempt from PRC income tax. However, pursuant to the PRC EIT Law, dividends payable by FIE to its foreign investors (which are non PRC resident enterprises which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business to the extent such dividends have their source within the PRC) are subject to a PRC withholding income tax at 10% unless any lower tax treaty rate is applicable. Under the PRC EIT Law, enterprises established under the laws of foreign jurisdictions but whose "de facto management body" is located in the PRC are treated as PRC resident enterprises for tax purposes, and will be subject to PRC income tax on their worldwide income. For such PRC tax purposes, dividends from our PRC subsidiaries or our PRC associated company to us, if we are deemed as a PRC resident enterprise, are exempt from the PRC withholding income tax, however, our global income would be subject to the PRC income tax. Under the Implementation Regulations, "de facto management bodies" is defined as the bodies that have material and overall management control over the business, personnel, accounts and properties of an enterprise. Because the PRC EIT Law and the Implementation Regulations are relatively new, there is uncertainty as to how they will be interpreted or implemented by relevant tax bureaus to be applied to us.

Dividends Paid by the Company to Its Overseas Investors and gain on the Transfer or Disposition of the Shares

Under the PRC EIT Law, PRC income tax at the rate of 10% is applicable to dividends payable by a PRC resident enterprise to investors that are non PRC resident enterprises which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business to the extent such dividends have their source within the PRC, although such income tax may be exempted or reduced by the State Council of the PRC or pursuant to a tax treaty between the PRC and the jurisdictions in which such non-PRC shareholders reside. Similarly, any gain realised on the transfer of shares by such investors is also subject to PRC income tax if such gain is regarded as income derived from sources within the PRC. As stated in the Risk Factor Section, there is uncertainty with respect to whether we will be considered a PRC resident enterprise by the PRC tax authorities. Accordingly, it is unclear whether the dividends we pay with respect to our Shares, or the gain you may realise from the transfer of our Shares, would be treated as income derived from sources within the PRC and be subject to PRC tax.

HONG KONG TAXATION

Dividends

Under the current practice of the Inland Revenue Department, no tax is payable in Hong Kong in respect of dividends paid by us.

Capital Gains and Profit Tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of the shares. Trading gains from the sale of shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are arising in or derived from Hong Kong, will be chargeable to Hong Kong profits tax. Currently, profits tax is imposed on corporations at the rate of 16.5% and on unincorporated businesses at a maximum rate of 15% for the tax year of 2008/2009 and onwards. Certain categories of taxpayers are likely to be regarded as deriving trading gains rather than capital gains (for example, financial institutions, insurance companies and securities dealers) unless these taxpayers can prove that the investment securities are held for long-term investment.

Gains from sales of the shares effected on the Hong Kong Stock Exchange will be considered to be sourced in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of shares effected on the Hong Kong Stock Exchange realised by persons carrying on a business of trading or dealing in securities in Hong Kong.

Stamp Duty

Hong Kong stamp duty will be payable by the purchaser on every purchase, and by the seller on every sale, of shares registered on the Hong Kong share register. The duty is charged at the *ad valorem* rate of 0.1% of the consideration for, or (if greater) the value of, the shares transferred on each of the seller and purchaser. In other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of shares. In addition, any instrument of transfer (if required) will be subject to a flat rate of stamp duty of HK$5.00. Where a sale or purchase of shares registered on the Hong Kong share register is effected by a person who is not resident in Hong Kong and any stamp duty payable on the contract note is not paid, the relevant instrument of transfer (if any) shall be chargeable with such duty, together with the duty otherwise chargeable thereon and the transferee shall be liable to pay such duty. If stamp duty is not paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

No stamp duty will generally be levied on the transfer of shares that are registered on a share register outside Hong Kong.

Estate Duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on 11 February 2006 in Hong Kong, pursuant to which estate duty ceased to be chargeable in Hong Kong in respect of the estates of persons dying on or after that date. No Hong Kong estate duty is payable by holders of Shares in relation to the Shares owned by them upon death on or after 11 February 2006.

The discussion below provides information about certain provisions of our Memorandum and Articles of Association and the laws of Singapore. This description is only a summary and is qualified by reference to Singapore law and our Memorandum and Articles of Association.

MEMORANDUM AND ARTICLES OF ASSOCIATION

The instruments that constitute and define our Company are the Memorandum and Articles of Association.

1. Memorandum of Association and Registration Number

The registration number with which our Company was incorporated is 200009758W. Our Memorandum of Association sets out, inter alia, the Company's name, the location of its registered office, and limits the liability of the members.

2. Directors

(a) Ability of Interested Directors to Vote

A Director shall not vote in respect of any contract, proposed contract or arrangement or any other proposal in which he or his associate (as defined in under the Listing Rules) has any personal material interest, directly or indirectly, and shall not be counted in the quorum present at the meeting.

(b) Remuneration

Fees payable to non-executive Directors shall be a fixed sum (not being a commission on or a percentage of profits or turnover of our Company) as shall from time to time be determined by our Company in general meeting. Fees payable to Directors shall not be increased except at a general meeting convened by a notice specifying the intention to propose such increase.

Any Director who holds any executive office, or who serves on any committee of the Directors, or who performs services outside the ordinary duties of a Director, may be paid extra remuneration by way of salary, commission or otherwise, as the Directors may determine.

The remuneration of a Managing Director shall be fixed by the Directors and may be by way of salary or commission or participation in profits or by any or all of these modes, but shall not be by a commission on or a percentage of turnover.

The Directors shall have power to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.

(c) Borrowing

Our Directors may exercise all the powers of our Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities to secure any debt, liability or obligation of our Company.

(d) Retirement Age Limit

There is no retirement age limit for Directors under our Articles of Association. Section 153(1) of the Singapore Companies Act however, provides that no person of or over the age of 70 years shall be appointed a director of a public company.

(e) Shareholding Qualification

There is no shareholding qualification for Directors in the Memorandum and Articles of Association.

3. Share Rights and Restrictions

Our Company currently has one class of shares, namely, ordinary shares. Only persons who are registered on our register of shareholders and in cases in which the person so registered is CDP, the persons named as the depositors in the depository register maintained by CDP for the ordinary Shares, are recognised as our Shareholders.

(a) Dividends and Distribution

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board of Directors. We must pay all dividends out of our profits. No dividends may be paid, unless otherwise permitted by the Singapore Companies Act or by law, to our Company in respect of treasury shares held by our Company. All dividends are paid pro-rata amongst our shareholders in proportion to the amount paid up on each Shareholder's ordinary shares, unless the rights attaching to an issue of any ordinary share provide otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP or a clearing house (as the case may be) of any dividend payable to a shareholder whose name is entered in the depository register shall, to the extent of payment made to CDP or a clearing house (as the case may be), discharge us from any liability to that shareholder in respect of that payment.

The payment by the Directors of any unclaimed dividends or other monies payable on or in respect of a Share into a separate account shall not constitute our Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of our Company. Any dividend unclaimed after a period of six (6) years after having been declared may be forfeited and shall revert to our Company but the Directors may thereafter at their discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture.

The Directors may retain any dividend or other monies payable on or in respect of a Share on which our Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(b) Voting Rights

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 our Company and to our Articles of Association, each member entitled to vote may vote in person or by proxy. Every member who is present in person or by proxy shall have one vote for every share which he holds or represents. For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any general meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Register of Members or Depository Register as at forty-eight hours before the time of the relevant general meeting as certified by CDP or the Hong Kong Share Registrar (as the case may be) to our Company. Except as otherwise provided in our Articles, two or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting.

4. Change in Capital

Changes in the capital structure of our Company (for example, a consolidation, sub-division or conversion of our share capital) require Shareholders to pass an ordinary resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to each of our Shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting. However, we are required to obtain our Shareholders' approval by way of a special resolution for any reduction of our share capital or any distributable reserve, subject to the conditions prescribed by law.

5. Variation of Rights of Existing Shares or Classes of Shares

Subject to the Singapore Companies Act, whenever the share capital of our Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, all the provisions of these presents relating to general meetings of our Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of that class and that any holder of shares of that class present in person or by proxy may demand a poll and that every such holder shall have one vote for every share of that class held by him, Provided always that where the necessary majority for such a special resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters in nominal value of the issued shares of that class concerned within two months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting. These provisions shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

6. Transfer of Shares and replacement of share certificates

There shall be no restriction on the transfer of fully paid up Shares (except where required by law or the listing rules of the securities exchange upon which the shares of our Company may be listed) but our Directors may in their discretion decline to register any transfer of Shares upon which our Company has a lien and in the case of Shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve (except where such refusal to register contravenes the listing rules of the securities exchange upon which the shares of our Company may be listed), provided always that in the event of our Directors refusing to register a transfer of shares, they shall within one month beginning with the day on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Singapore Companies Act and any other applicable law or statute affecting our Company.

Our Directors may in their sole discretion refuse to register any instrument of transfer of Shares unless:

(a) such fee not exceeding the lower of the maximum amounts prescribed by any securities exchange upon which the Shares of our Company may be listed as our Directors may from time to time require (which in any case shall not exceed S$2.00), is paid to our Company in respect thereof;

(b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;

(c) the instrument of transfer is deposited at the registered office of our Company or at such other place (if any) as our Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the Shares to which the transfer relates, and such other evidence as our Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and

(d) the instrument of transfer is in respect of only one class of Shares.

SUMMARY OF SALIENT PROVISIONS OF THE LAWS OF SINGAPORE

The following summarises the salient provisions of the laws of Singapore applicable to the Shareholders as the date of this document. The summaries below are for general guidance only and do not constitute legal advice, nor must they be used as a substitute for, or specific legal advice, on the corporate law of Singapore. The summaries below are not meant to be a comprehensive or exhaustive description of all the obligations, rights and privileges of Shareholders imposed on or conferred by the corporate law of Singapore. In addition, prospective investors and/or Shareholders should also note that the laws applicable to Shareholders may change, whether as a result of proposed legislative reforms to the Singapore laws or otherwise. Prospective investors and/or Shareholders should consult their own legal advisers for specific legal advice concerning their legal obligations under the relevant laws.

1. Reporting Obligations of Shareholders

Obligation to Notify Company of Substantial Shareholding and Change in Substantial Shareholding under Section 81 of the Singapore Companies Act

A person has a substantial shareholding in a company if he has an interest or interests in one or more voting shares in the company, and the total votes attached to that share, or those shares, is not less than 5 per cent of the total votes attached to all the voting shares in the company.

Section 82 of the Singapore Companies Act

A substantial shareholder of a company is required to notify the company of his interests in the voting shares in the company within two Business Days after becoming a substantial shareholder.

Sections 83 and 84 of the Singapore Companies Act

A substantial shareholder is required to notify the company of changes in the percentage level of his shareholding or his ceasing to be a substantial shareholder, again within two Business Days after he is aware of such changes. The reference to changes in "percentage level" means any changes in a substantial shareholder's interest in the company which results in his interest, following such change, increasing or decreasing to the next discrete 1% threshold. For example, an increase in interests in the company from 5.1% to 5.9% need not be notified, but an increase from 5.9% to 6.1% will have to be notified.

Consequences of Non-compliance

Section 89 of the Singapore Companies Act

Section 89 of the Singapore Companies Act provides for the consequences of non-compliance with sections 82, 83 and 84. Under section 89, a person who fails to comply shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$5,000 and in the case of a continuing offence to a further fine of S$500 for every day during which the offence continues after conviction.

Section 90 of the Singapore Companies Act

Section 90 of the Singapore Companies Act provides for a defence to a prosecution for failing to comply with sections 82, 83 or 84. It is a defence if the defendant proves that his failure was due to his not being aware of a fact or occurrence the existence of which was necessary to constitute the offence and that he was not so aware on the date of the summons; or he became so aware less than 7 days before the date of the summons. However, a person will conclusively be presumed to have been aware of a fact or occurrence at a particular time (a) of which he would, if he had acted with reasonable diligence in the conduct of his affairs, have been aware at that time; or (b) of which an employee or agent of the person, being an employee or agent having duties or acting in relation to his master's or principal's interest or interests in a share or shares in the company concerned, was aware or would, if he had acted with reasonable diligence in the conduct of his master's or principal's affairs, have been aware at that time.

Powers of the Court with respect to Defaulting Substantial Shareholders

Section 91 of the Singapore Companies Act

Section 91 of the Singapore Companies Act provides that where a substantial shareholder fails to comply with sections 82, 83 or 84, the Court may, on the application of the Minister, whether or not the failure still continues, make one of the following orders:

(a) an order restraining the substantial shareholder from disposing of any interest in shares in the company in which he is or has been a substantial shareholder;

(b) an order restraining a person who is, or is entitled to be registered as, the holder of shares referred to in paragraph (a) from disposing of any interest in those shares;

(c) an order restraining the exercise of any voting or other rights attached to any share in the company in which the substantial shareholder has or has had an interest;

(d) an order directing the company not to make payment, or to defer making payment, of any sum due from the company in respect of any share in which the substantial shareholder has or has had an interest;

(e) an order directing the sale of all or any of the shares in the company in which the substantial shareholder has or has had an interest;

(f) an order directing the company not to register the transfer or transmission of specified shares;

(g) an order that any exercise of the voting or other rights attached to specified shares in the company in which the substantial shareholder has or has had an interest be disregarded; or

(h) for the purposes of securing compliance with any other order made under this section, an order directing the company or any other person to do or refrain from doing a specified act.

Any order made under this section may include such ancillary or consequential provisions as the Court thinks just. The Court may not make an order other than an order restraining the exercise of voting rights, if it is satisfied (a) that the failure of the substantial shareholder to comply was due to his inadvertence or mistake or to his not being aware of a relevant fact or occurrence; and (b) that in all the circumstances, the failure ought to be excused. Any person who contravenes or fails to comply with an order made under this section that is applicable to him shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$5,000 and, in the case of a continuing offence, to a further fine of S$500 for every day during which the offence continues after conviction.

Obligation to Notify the SGX-ST of Substantial Shareholding and Change in Substantial Shareholding

Section 137(1) of the SFA

A substantial shareholder is also required under section 137(1) of the SFA to give the above notifications to the SGX-ST at the same time. Any person who fails to comply with section 137(1) is guilty of an offence and shall be liable on conviction to a fine not exceeding S$25,000 and, in the case of a continuing offence, to a further fine of S$2,500 for every day or part thereof during which the offence continues after conviction.

Duty Not to Furnish False Statements to Securities Exchange, Futures Exchange, Designated Clearing House and Securities Industry Council of Singapore

Section 330 of the SFA

Section 330 of the SFA provides that any person who, with intent to deceive, makes or furnishes, or knowingly and wilfully authorises or permits the making or furnishing of, any false or misleading statement or report to a securities exchange, futures exchange, designated clearing house or any officers thereof relating to dealing in securities shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$50,000 or to imprisonment for a term not exceeding 2 years or to both. Section 330 further provides that any person who, with intent to deceive, makes or furnishes or knowingly and willfully authorises or permits the making or furnishing of, any false or misleading statement or report to the Securities Industry Council or any of its officers, relating to any matter or thing required by the Securities Industry Council in the exercise of its functions under the SFA shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$50,000 or to imprisonment for a term not exceeding 2 years or to both.

Obligation to Disclose Beneficial Interest in the Voting Shares of the Company

Section 92 of the Singapore Companies Act

Section 92 of the Singapore Companies Act provides that a company which has all of its shares listed on a stock exchange in Singapore may require any member to inform it whether the member holds the voting shares in the company as beneficial owner or trustee, and in the latter, who the beneficiaries are. If the member discloses that he is holding the shares on trust for another party, the company may additionally require the other party to inform it whether the other party holds the interests as beneficial owner or as trustee and if the latter, for whom. A listed company also has the right to require the member to inform it of any voting agreement that he may have in relation to the shares held by him.

Consequences of Non-compliance

Section 92 of the Singapore Companies Act

Sections 92(6) and 92(7) of the Singapore Companies Act provide that the failure to comply with a notice requiring disclosure of information is an offence, unless it can be shown that the information was already in the possession of the company or that the requirement to give it was frivolous or vexatious. A person who deliberately or recklessly makes a statement that is false in a material particular in compliance to a request for information under section 92 is also guilty of an offence, and is likewise liable on conviction to a fine not exceeding S$10,000 or to imprisonment for a term not exceeding 2 years.

2. Prohibited Conduct in Relation to Trading in the Securities of the Company

Prohibitions against False Trading and Market Manipulation

Section 197 of the SFA

Section 197 of the SFA prohibits (i) the creation of a false or misleading appearance of active trading in any securities on a securities exchange; (ii) the creation of a false or misleading appearance with respect to the market for, or price of, any securities on a securities exchange; (iii) affecting the price of securities by way of purchases or sales which do not involve a change in the beneficial ownership of those securities; and (iv) affecting the price of securities by means of any fictitious transactions or devices.

Section 197(3) of the SFA provides that a person is deemed to have created a false or misleading appearance of active trading in securities on a securities market if he does any of the following acts:

(i) if he effects, takes part in, is concerned in or carries out, directly or indirectly, any transaction of purchase or sale of any securities, which does not involve any change in the beneficial ownership of the securities;

(ii) if he makes or causes to be made an offer to sell any securities at a specified price where he has made or caused to be made or proposes to make or to cause to be made, or knows that a person associated with him has made or caused to be made or proposes to make or to cause to be made, an offer to purchase the same number, or substantially the same number, of securities at a price that is substantially the same as the first-mentioned price; or

(iii) if he makes or causes to be made an offer to purchase any securities at a specified price where he has made or caused to be made or proposes to make or to cause to be made, or knows that a person associated with him has made or caused to be made or proposes to make or to cause to be made, an offer to sell the same number, or substantially the same number, of securities at a price that is substantially the same as the first-mentioned price, unless he establishes that the purpose or purposes for which he did the act was not, or did not include, the purpose of creating a false or misleading appearance of active trading in securities on a securities market.

Section 197(5) of the SFA provides that a purchase or sale of securities does not involve a change in the beneficial ownership if a person who had an interest in the securities before the purchase or sale, or a person associated with the first-mentioned person in relation to those securities, has an interest in the securities after the purchase or sale.

Section 197(6) of the SFA provides a defence to proceedings against a person in relation to a purchase or sale of securities that did not involve a change in the beneficial ownership of those securities. It is a defence if the defendant establishes that the purpose or purposes for which he purchased or sold the securities was not, or did not include, the purpose of creating a false or misleading appearance with respect to the market for, or the price of, securities.

Prohibition against Securities Market Manipulation

Section 198 of the SFA

Section 198(1) of the SFA provides that no person shall carry out directly or indirectly, 2 or more transactions in securities of a corporation, being transactions that have, or likely to have, the effect of raising, lowering, maintaining or stabilising the price of the securities with intent to induce other persons to purchase them. Section 198(2) of the SFA provides that transactions in securities of a corporation includes (i) the making of an offer to purchase or sell such securities of the corporation; and (ii) the making of an invitation, however expressed, that directly or indirectly invites a person to offer to purchase or sell such securities of the corporation.

Prohibition Against the Manipulation of the Market Price of Securities by the Dissemination of Misleading Information

Sections 199 and 202 of the SFA

Section 199 of the SFA prohibits the making of false or misleading statements. Under this provision, a person shall not make a statement, or disseminate information, that is false or misleading in a material particular and is likely (a) to induce other persons to subscribe for securities; (b) to induce the sale or purchase of securities by other persons; or (c) to have the effect of raising, lowering, maintaining or stabilising the market price of securities, if, when he makes the statement or disseminates the information, he either does not care whether the statement or information is true or false, or knows or ought reasonably to have known that the statement or information is false or misleading in a material particular.

Section 202 of the SFA prohibits the dissemination of information about illegal transactions. This provision prohibits the circulation or dissemination of any statement or information to the effect that the price of any securities of a corporation will rise, fall or be maintained by reason of transactions entered into in contravention of sections 197 to 201 of the SFA. This prohibition applies where the person who is circulating or disseminating the information or statements (i) is the person who entered into the illegal transaction; or (ii) is associated with the person who entered into the illegal transaction; or (iii) is the person, or associated with the person, who has received or expects to receive (whether directly or indirectly) any consideration or benefit of circulating or disseminating the information or statements.

Prohibition against Fraudulently Inducing Persons to Deal in Securities

Section 200 of the SFA

Section 200 of the SFA prohibits a person from inducing or attempting to induce another person to deal in securities, (a) by making or publishing any statement, promise or forecast that he knows or ought reasonably to have known to be misleading, false or deceptive; (b) by any dishonest concealment of material facts; (c) by the reckless making or publishing of any statement, promise or forecast that is misleading, false or deceptive; or (d) by recording or storing in, or by means of, any mechanical, electronic or other device information that he knows to be false or misleading in a material particular, unless it is established that, at the time when the defendant so recorded or stored the information, he had no reasonable grounds for expecting that the information would be available to any other person.

Prohibition against Employment of Manipulative and Deceptive Devices

Section 201 of the SFA

Section 201 of the SFA prohibits (i) the employment of any device, scheme or artifice to defraud; (ii) engaging in any act, practice or course of business which operates as a fraud or deception, or is likely to operate as a fraud or deception, upon any person; and (iii) making any statement known to be false in a material particular or (iv) omitting to state a material fact necessary to make statements made not misleading, in connection with the subscription, purchase or sale of any securities.

Prohibition against the Dissemination of Information about Illegal Transactions

Section 202 of the SFA

Section 202 of the SFA prohibits the circulation or dissemination of any statement or information to the effect that the price of any securities of a corporation will rise, fall or be maintained by reason of any transaction entered into or to be entered into in contravention of sections 197 to 201 of the SFA. This prohibition applies where the person who is circulating or disseminating the information or statements (i) is the person who entered into the illegal transaction; or (ii) is associated with the person who entered into the illegal transaction; or (iii) is the person, or associated with the person, who has received or expects to receive (whether directly or indirectly) any consideration or benefit of circulating or disseminating the information or statements.

Prohibition against Insider Trading

Sections 218 and 219 of the SFA

Sections 218 and 219 of the SFA prohibit persons from dealing in securities of a corporation if the person knows or reasonably ought to know that he is in possession of information that is not generally available, which is expected to have a material effect on the price or value of securities of that corporation. Such persons include substantial shareholders of a corporation or a related corporation, and persons who occupy a position reasonably expected to give him access to inside information by virtue of professional or business relationship by being an officer or a substantial shareholder of the corporation or a related corporation, or any other person in possession of inside information. For an alleged contravention of section 218 or 219, section 220 makes it clear that it is not necessary for the prosecution or plaintiff to prove that the accused person or defendant intended to use the information referred to in section 218(1)(a) or (1A)(a) or 219(1)(a) in contravention of section 218 or 219, as the case may be.

Section 216 of the SFA

Section 216 of the SFA provides that a reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the first-mentioned securities.

Penalties

Section 232 of the SFA

Section 232 of the SFA provides that the Monetary Authority of Singapore may, with the consent of the Public Prosecutor, bring an action in a court against the offender to seek an order for a civil penalty in respect of any contravention. If the court is satisfied on the balance of probabilities that the contravention resulted in the gain of a profit or avoidance of a loss by the offender, the offender may have to pay a civil penalty of a sum (a) not exceeding 3 times the amount of the profit that the person gained; or the amount of the loss that he avoided, as a result of the contravention; or (b) equal to S$50,000 if the person is not a corporation, or S$100,000 if the person is a corporation, whichever is the greater. If the court is satisfied on a balance of probabilities that the contravention did not result in the gain of a profit or avoidance of a loss by the offender, the court may make an order against him for the payment of a civil penalty of a sum not less than S$50,000 and not more than S$2 million.

Section 204 of the SFA

Any person who contravenes sections 197, 198, 201 or 202 of the SFA is guilty of an offence and shall be liable on conviction to a fine not exceeding S$250,000 or to imprisonment for a term not exceeding 7 years or to both under section 204 of the SFA. Section 204 of the SFA further provides that no proceedings shall be instituted against a person for the offence after a court has made an order against him for the payment of a civil penalty under section 232 in respect of the contravention.

Section 221 of the SFA

Any person who contravenes section 218 or 219 of the SFA, is guilty of an offence and shall be liable on conviction to a fine not exceeding S$250,000 or to imprisonment for a term not exceeding 7 years or to both under section 221 of the SFA. Section 221 of the SFA further provides that no proceedings shall be instituted against a person for an offence in respect of a contravention of section 218 or 219 of the SFA after a court has made an order against him for the payment of a civil penalty under section 232 of the SFA in respect of that contravention.

3. Takeover Obligations

Offences and Obligations Relating to Take-overs

Section 140 of the SFA

Section 140 of the SFA provides that a person shall not give notice or publicly announce that he intends to make a take-over offer if (a) he has no intention to make a take-over offer; or (b) he has no reasonable or probable grounds for believing that he will be able to perform his obligations if the take-over offer is accepted or approved, as the case may be. A person who contravenes section 140 of the SFA is guilty of an offence and shall be liable on conviction to a fine not exceeding S$250,000 or to imprisonment for a term not exceeding 7 years or to both.

Obligations under the Singapore Takeovers Code and the Consequences of Non-compliance

Obligations under the Singapore Takeovers Code

The Singapore Takeovers Code regulates the acquisition of ordinary shares of public companies and contains certain provisions that may delay, deter or prevent a future takeover or change in control of the Company. Any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of our voting Shares, or, if such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of our voting Shares, and if he (or parties acting in concert with him) acquires additional voting Shares representing more than 1.0% of our voting Shares in any six-month period, must, except with the consent of the Securities Industry Council in Singapore, extend a takeover offer for the remaining voting Shares in accordance with the provisions of the Singapore Takeovers Code.

"Parties acting in concert" comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of Shares in a company, to obtain or consolidate effective control of that company. Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other. They are as follows:

(a) a company and its related companies, the associated companies of any of the company and its related companies, companies whose associated companies include any of these companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;

(b) a company and its directors (including their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);

(c) a company and its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis;

(e) a financial or other professional advisers and its clients in respect of Shares held by the advisers and persons controlling, controlled by or under the same control as the advisers and all the funds managed by the advisers on a discretionary basis, where the shareholdings of the advisers and any of those funds in the client total 10.0% or more of the client's equity share capital;

(f) directors of a company (including their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for the company may be imminent;

(g) partners; and

(h) an individual and his close relatives, related trusts, any person who is accustomed to act in accordance with his instructions and companies controlled by the individual, his close relatives, his related trusts or any person who is accustomed to act in accordance with his instructions and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights.

In the event that one of the abovementioned trigger-points is reached, the person acquiring an interest (the "**Offeror**") must make a public announcement stating the terms of the offer and its identity. The Offeror must post an offer document not earlier than 14 days and not later than 21 days from the date of the offer announcement. An offer must be kept open for at least 28 days after the date on which the offer document was posted.

The Offeror may vary the offer by offering more for the shares or by extending the period in which the offer remains open. If a variation is proposed, the Offeror is required to give a written notice to the offeree company and its shareholders, stating the modifications made to the matters set out in the offer document. The revised offer must be kept open for at least another 14 days. Where the consideration is varied, shareholders who agree to sell before the variation are also entitled to receive the increased consideration.

A mandatory offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror within the six months preceding the acquisition of Shares that triggered the mandatory offer obligation.

Under the Singapore Takeovers Code, where effective control of a company is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required. An offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the takeover offer must be given sufficient information, advice and time to consider and decide on the offer.

Consequences of Non-compliance with the Requirements under the Singapore Takeovers Code

The Singapore Takeovers Code is non-statutory in that it does not have the force of law. Therefore, as provided in section 139(8) of the SFA, a failure of any party concerned in a take-over offer or a matter connected therewith to observe any of the provisions of the Singapore Code shall not of itself render that party liable to criminal proceedings. However, the failure of any party to observe any of the provisions of the Singapore Takeovers Code may, in any civil or criminal proceedings, be relied upon by any party to the proceedings as tending to establish or to negate any liability which is in question in the proceedings.

Section 139 further provides that where the Securities Industry Council has reason to believe that any party concerned in a take-over offer or a matter connected therewith is in breach of the provisions of the Singapore Takeovers Code or is otherwise believed to have committed acts of misconduct in relation to such take-over offer or matter, the Securities Industry Council has power to enquire into the suspected breach or misconduct. The Securities Industry Council may summon any person to give evidence on oath or affirmation, which it is thereby authorised to administer, or produce any document or material necessary for the purpose of the enquiry.

4. Minority Rights

Section 216 of the Singapore Companies Act

The rights of minority shareholders of Singapore-incorporated companies are protected under Section 216 of the Singapore Companies Act, which gives the Singapore courts a general power to make any order, upon application by any shareholder of the Company, as they think fit to remedy any of the following situations:

(a) the affairs of the Company are being conducted or the powers of the Board are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of the shareholders; or

(b) the Company takes an action, or threatens to take an action, or the shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of the shareholders, including the applicant.

Singapore courts have wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Singapore Companies Act itself. Without prejudice to the foregoing, Singapore courts may:

(a) direct or prohibit any act or cancel or vary any transaction or resolution;

(b) regulate the conduct of the affairs of our Company in the future;

(c) authorise civil proceedings to be brought in the name of, or on behalf of, our Company by a person or persons and on such terms as the court may direct;

(d) provide for the purchase of a minority shareholder's shares by the other shareholders or by our Company;

(e) in the case of a purchase of shares by our Company, provide for a reduction accordingly of our share capital; or

(f) provide that our Company be wound up.

5. Exchange Controls

There are no Singapore governmental laws, decrees, regulations or other legislation that may restrict the following:

(a) the import or export of capital, including the availability of cash and cash equivalents for use by our Group; and

(b) the remittance of dividends, interest or other payments to non-resident holders of our Company's securities.

6. Members' Requisition to Convene Extraordinary General Meetings

Section 176 of the Singapore Companies Act

Section 176 of the Singapore Companies Act provides that the directors shall, on the requisition of members holding not less than 10% of such of the paid-up capital of a company or in the case of a company not having a share capital, of members representing not less than 10% of the total voting rights of all the members, proceed to convene an extraordinary general meeting of the Company.

Section 183 of the Singapore Companies Act

Section 183 of the Singapore Companies Act provides that a company is under a duty, on the requisition in writing of such number of members, to give to members of such company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting and to circulate to such members any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. Number of members as required for such a requisition shall be any number of members representing not less than 5% of the total voting rights of all members having at the date of the requisition a right to vote at the meeting to which the requisition relates or not less than 100 members holding shares in the company on which there has been paid up an average sum, per member, of not less than S$500.

7. Share Buybacks

Maximum number of Shares

Under Section 76B of the Singapore Companies Act, our Company may purchase or otherwise acquire shares issued by it if it is expressly permitted to do so by our Articles of Association. Only Shares which are issued and fully paid-up may be purchased or acquired by our Company. The total number of Shares which may be purchased or acquired by our Company shall not exceed 10% of the total number of issued Shares of the Company as at the date of the last annual general meeting of our Company held before any resolution passed pursuant to the Singapore Companies Act or as at the date of such resolution relating to the share buyback, whichever is the higher, unless (i) our Company has, at any time during the relevant period, reduced its share capital by a special resolution under the Singapore Companies Act or the Singapore courts have at any time during the relevant period, made an order under the Singapore Companies Act confirming the reduction of share capital of the company, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the special resolution of our Company or the order of the Singapore courts, as the case may be. Any Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit.

Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the extraordinary general meeting at which a share buyback mandate (the "**Share Buyback Mandate**") is approved, up to:

(a) the date on which the next annual general meeting is held or required by law to be held; or

(b) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by our Shareholders in a general meeting; or

(c) the date on which the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated,

whichever is the earliest.

The authority conferred on our Directors by the Share Buyback Mandate to purchase Shares may be renewed by our Shareholders in any general meeting of our Company, such as at the next annual general meeting or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next annual general meeting. When seeking the approval of our Shareholders for the Share Buyback Mandate, our Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the proposed Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

Manner of Purchase

Our Company may purchase or acquire Shares by way of:

(a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or

(b) off-market purchases ("**Off-Market Purchases**") effected pursuant to an equal access scheme.

Under the Singapore Companies Act, an Off-Market Purchase must, however, satisfy all of the following conditions:

(i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and

(iii) the terms of all the offers shall be the same, except that there shall be disregarded differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable) and differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the Listing Manual, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

(1) the terms and conditions of the offer;

(2) the period and procedures for acceptances;

(3) the reasons for the proposed purchase or acquisition of Shares;

(4) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Singapore Takeovers Code or other applicable take-over rules;

(5) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST; and

(6) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases.

Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses ("**related expenses**")) to be paid for a Share will be determined by our Directors. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price

(the "**Maximum Price**") in either case, excluding related expenses.

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days.

"**day of the making of the offer**" means the day on which our Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

Status of Purchased Shares

A Share purchased or acquired by our Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by our Company as a treasury share. At the time of each purchase of Shares by our Company, our Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of our Company at that time. The total number of Shares will be diminished by the number of Shares purchased or acquired by our Company and which are not held as treasury shares. All Shares purchased or acquired by our Company (other than treasury shares held by the Company to the extent permitted under the Singapore Companies Act) will be automatically de-listed by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

8. Treasury shares

Maximum holdings

Under the Singapore Companies Act, the number of Shares held as treasury Shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares.

Voting and other rights

Our Company cannot exercise any right in respect of treasury Shares. In particular, our Company cannot exercise any right to attend or vote at meetings and for the purposes of the Singapore Companies Act, our Company shall be treated as having no right to vote and the treasury Shares shall be treated as having no voting rights.

In addition, under the Singapore Companies Act, no dividend may be paid, and no other distribution of our Company's assets may be made, to our Company in respect of treasury

Shares. However, the allotment of Shares as fully paid bonus Shares in respect of treasury Shares is allowed. Also, a subdivision or consolidation of any treasury Share into treasury Shares of a smaller amount is allowed so long as the total value of the treasury Shares after the subdivision or consolidation is the same as before.

Disposal and cancellation

Where Shares are held as treasury Shares, under the Singapore Companies Act, our Company may at any time:

(a) sell the treasury Shares for cash;

(b) transfer the treasury Shares for the purposes of or pursuant to an employees' share scheme;

(c) transfer the treasury Shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(d) cancel the treasury Shares; or

(e) sell, transfer or otherwise use the treasury Shares for such other purposes as may be prescribed by the Minister for Finance.

As at the date of this prospectus, our Company does not have any plans in respect of the 1,000,000 treasury Shares that it currently holds.

Effect of treasury Shares

Where Shares are repurchased by our Company and held as treasury Shares, among other things, the total number of Shares outstanding would be reduced by the number of Shares bought back by our Company, and the appropriate adjustments would have to be made for the purpose of computing the EPS. The number of treasury Shares held should be deducted from the number of Shares in issue when determining the weighted average number of Shares outstanding for the purpose of calculating the basic and diluted EPS. Treasury Shares are excluded in the calculation of market capitalisation of our Company under the Listing Manual.

For the modifications to a number of Listing Rules which are necessary to enable our Company to hold our current and future treasury shares and are technical in nature, please refer to the section of the Prospectus entitled "Appendix V-B – Modifications of the Listing Rules" for details.

9. Notifiable transactions and connected transactions

The Singapore and Hong Kong regulatory regimes on notifiable transactions and connected transactions are governed by similar general principles. The requirements relating to shareholders' approval and preparation of a circular under the Listing Manual are similar but not identical to the requirements under the Listing Rules.

Notifiable transactions

The rules under Chapter 14 of the Listing Rules relating to notifiable transactions are intended to keep the shareholders of an issuer informed of the ongoing operations of the issuer so that they can assess the impact of a particular transaction and vote on significant transactions. In addition, these rules also reinforce the general disclosure principle of price-sensitive information to keep the public appraised of the position of listed issuers and to avoid the establishment of a false market in the listed issuers' securities. Similarly, Chapter 10 of the Listing Manual contains rules relating to four categories of transactions, namely, non-discloseable transactions, discloseable transactions, major transactions and very substantial acquisitions or reverse takeovers. Under these rules, shareholders' approval would be required for certain categories of transactions, thereby ensuring that shareholders would be able to exercise their voting rights for significant transactions which affect the issuer's operations. The rules of Chapter 10 should be read together with the general principle of disclosure of material information which is necessary to avoid the establishment of a false market in the issuer's securities or would be likely to materially affect the price or value of its securities, as stated in Rule 703 of the Listing Manual.

The following is a summary of the provisions of the Listing Manual relating to notifiable transactions.

Thresholds

Transactions are classified into four categories, depending on the size of the relative figures computed on the following bases:

(a) The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.

(b) The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.

(c) The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.

(d) The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.

The four categories of transactions are non-discloseable transactions, discloseable transactions, major transactions and very substantial acquisitions or reverse takeovers. A non-discloseable transaction is one where the relative figures computed on the bases above amount to 5% or less. A discloseable transaction is one where the relative figures computed on the bases above exceeds 5% but does not exceed 20%. A major transaction is one where all the relative figures computed on the bases above exceed 20%. A very substantial acquisition or reverse takeover is one where all the relative figures computed on the bases above are 100% or more.

Shareholders' approval

Major transactions and very substantial acquisitions or reverse takeovers are subject to shareholders' approval. A circular containing the information in Rule 1010 of the Listing Manual must be sent to all shareholders.

Circular requirements

Rule 1206 of the Listing Manual states that any circular sent to shareholders must:

(1) contain all information necessary to allow shareholders to make a properly informed decision or, if no decision is required, to be properly informed;

(2) advise shareholders that if they are in any doubt as to any action they should take, they should consult independent advisers;

(3) state that the SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in the circular;

(4) comply with specific circular requirements in the SGX-ST Listing Manual

Rule 1010 of the Listing Manual states the information which should be included in a circular to shareholders in relation to major transactions and very substantial acquisitions or reverse takeovers:

(1) Particulars of the assets acquired or disposed of, including the name of any company or business, where applicable;

(2) A description of the trade carried on, if any;

(3) The aggregate value of the consideration, stating the factors taken into account in arriving at it and how it will be satisfied, including the terms of payment;

(4) Whether there are any material conditions attaching to the transaction including a put, call or other option and details thereof;

(5) The value (book value, net tangible asset value and the latest available open market value) of the assets being acquired or disposed of, and in respect of the latest available valuation, the value placed on the assets, the party who commissioned the valuation and the basis and date of such valuation;

(6) In the case of a disposal, the excess or deficit of the proceeds over the book value, and the intended use of the sale proceeds. In the case of an acquisition, the source(s) of funds for the acquisition;

(7) The net profits attributable to the assets being acquired or disposed of. In the case of a disposal, the amount of any gain or loss on disposal;

(8) The effect of the transaction on the net tangible assets per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the end of that financial year;

(9) The effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year;

(10) The rationale for the transaction including the benefits which are expected to accrue to the issuer as a result of the transaction;

(11) Whether any director or controlling shareholder has any interest, direct or indirect, in the transaction and the nature of such interests;

(12) Details of any service contracts of the directors proposed to be appointed to the issuer in connection with the transaction; and

(13) The relative figures that were computed on the bases set out in Rule 1006.

Connected transactions

The connected transactions rules in Chapter 14A of the Listing Rules are intended to guard against the risk that connected persons could take advantage of their positions and influence the Group to enter into connected transactions which adversely affect the interests of a listed issuer or its shareholders. These concerns are dealt with in Singapore under Chapter 9 of the Listing Manual relating to interested person transactions. Although the relevant connected transaction rules under the Listing Rules appear slightly more stringent than the interested person transactions requirement under the Listing Manual, similar principles do apply.

Definition

Under Chapter 9 of the Listing Manual, an interested person transaction is broadly defined as any transaction between (i) the issuer, its non-listed subsidiary or its associated company (as defined in the Listing Manual) over which the issuer has control, and (ii) an interested person. Interested persons are broadly defined as the director, chief executive officer or controlling shareholders (holding at least 15% of the total number of issued shares excluding treasury shares in the issuer or who in fact exercises control over the issuer) of the issuer and their associates.

Shareholders' approval

Rule 906 of the Listing Manual states that an issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than

(i) 5% of the Group's latest audited net tangible assets, or

(ii) 5% of the Group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year (save for transactions which have already been approved by shareholders).

Rule 906 of the Listing Manual does not apply to any transaction below S$100,000.

Rule 918 of the Listing Manual states that shareholders' approval must be obtained prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction. Rule 919 of the Listing Manual states that in a meeting to obtain shareholder approval, the interested person and any associate of the interested person must not vote on the resolution.

Circular requirements

Rule 921 of the Listing Manual states the information which should be included in a circular to shareholders in relation to interested person transactions:

(1) details of the interested person transacting with the entity at risk, and the nature of that person's interest in the transaction.

(2) details of the transaction (and all other transactions which are the subject of aggregation pursuant to Rule 906) including relevant terms of the transaction, and the bases on which the terms were arrived at.

(3) the rationale for, and benefit to, the entity at risk.

(4) (a) an opinion in a separate letter from an independent financial adviser who is acceptable to the Exchange stating whether the transaction (and all other transactions which are the subject of aggregation pursuant to Rule 906):

(i) is on normal commercial terms, and

(ii) is prejudicial to the interests of the issuer and its minority shareholders.

(b) however, the opinion from an independent financial adviser is not required for the following transactions. Instead, an opinion from the audit committee in the form required in Rule 917(4)(a) must be disclosed:

(i) the issue of shares pursuant to Part IV of Chapter 8, or the issue of other securities of a class that is already listed, for cash.

(ii) purchase or sale of any real property where:

- the consideration for the purchase or sale is in cash;
- an independent professional valuation has been obtained for the purpose of the purchase or sale of such property; and
- the valuation of such property is disclosed in the circular.

(5) an opinion from the audit committee, if it takes a different view to the independent financial adviser.

(6) all other information known to the issuer or any of its directors, that is material to shareholders in deciding whether it is in the interests of the issuer to approve the transaction. Such information includes, from an economic and commercial point of view, the true potential costs and detriments of, or resulting from, the transaction, including opportunity costs, taxation consequences, and benefits forgone by the entity at risk.

(7) a statement that the interested person will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolution approving the transaction.

(8) Where the issuer accepts a profit guarantee or a profit forecast (or any covenant which quantifies the anticipated level of future profits) from the vendor of businesses/assets, the information required in Rules 1013(1) and 1013(2), and a statement confirming that it will comply with Rule 1013(3).

Continuing obligations on disclosure of material information

Rule 703 of the Listing Manual

Rule 703 of the Listing Manual states that our Company must announce any information known to our Company concerning it or any of our subsidiaries or associated companies which:

(a) is necessary to avoid the establishment of a false market in our securities; or

(b) would be likely to materially affect the price or value of our securities.

Rule 703 does not apply to information which it would be a breach of law to disclose. Rule 703 also does not apply to particular information while each of the following conditions applies.

Condition 1: a reasonable person would not expect the information to be disclosed;

Condition 2: the information is confidential; and

Condition 3: one or more of the following applies:

(i) the information concerns an incomplete proposal or negotiation;

(ii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;

(iii) the information is generated for the internal management purposes of the entity;

(iv) the information is a trade secret.

In complying with the disclosure requirements of the SGX-ST, our Company must (a) observe the Corporate Disclosure Policy set out in Appendix 7.1 of the Listing Manual, and (b) ensure that its directors and executive officers are familiar with the SGX-ST's disclosure requirements and Corporate Disclosure Policy.

The SGX-ST will not waive any requirements under Rule 703.

As mentioned in the section of this prospectus headed "Waivers – Share Repurchase and Treasury Shares", our Company and the Stock Exchange have agreed to a list of modifications to a number of Listing Rules necessary to enable our Company to hold our current and future treasury shares. The modifications to the Listing Rules also reflect various consequential matters to deal with the fact that our Company may hold treasury shares in the future.

The amendments and insertions which have been made to the Listing Rules are set out below. For ease of reference and where appropriate, the full text of the Listing Rules altered or inserted has also been reproduced and the principle amendments and insertions put in bold and underlined or denoted with strikethroughs.

The full text of the Listing Rules can be located on the Stock Exchange's website on http://www.hkex.com.hk/eng/rulesreg/listrules/mbrules/listrules.htm.

For further information and the general characteristics of treasury shares, please refer to "Appendix V-A – Summary of the Constitution of our Company and the Salient Provisions of the Laws of Singapore – Treasury Shares" to this prospectus.

Amendment and addition to Chapter 1 of the Listing Rules

The definition of "market capitalisation" contained in Chapter 1 of the Listing Rules is amended as such:

"Market capitalisation" means "the market value of the entire size of an issuer, which shall include all classes of securities of the issuer **(other than treasury shares)**, irrespective of whether any such class(es) of securities are unlisted, or listed on other regulated market(s)".

In addition, the definition of "treasury shares" is added into Chapter 1 of the Listing Rules and reads as such:

"treasury shares"	**"shares of an issuer which the issuer has purchased and holds as a member in the register of members of the issue, in accordance with the laws of its jurisdiction of incorporation".**

Amendment to Chapter 2 of the Listing Rules

Chapter 2 of the Listing Rules contains the introduction of the Listing Rules. In relation to the general principles of the Listing Rules, Rule 2.03 of the Listing Rules is amended to read:

"The Exchange Listing Rules reflect currently acceptable standards in the market place and are designed to ensure that investors have and can maintain confidence in the market and in particular that:

(1) ...

(4) all holders of listed securities are treated fairly and equally **(disregarding for these purposes the issuer in its capacity as the holder of any treasury shares)**;

..."

Amendment to Chapter 3 of the Listing Rules

Chapter 3 of the Listing Rules contains the rules relating to authorised representatives and directors. In relation to directors, Rule 3.13 of the Listing Rules is amended to read:

"In assessing the independence of a non-executive director, the Exchange will take into account the following factors, none of which is necessarily conclusive. Independence is more likely to be questioned if the director:

(1) holds more than 1% of the total issued share capital of the listed issuer **(excluding treasury shares)**;

..."

Amendment to Chapter 3A of the Listing Rules

Chapter 3A of the Listing Rules contains the rules relating to sponsors and compliance advisers. In relation to the compliance adviser's undertaking to the Stock Exchange, Rule 3A.23 of the Listing Rules is amended to read:

"During the Fixed Period, a listed issuer must consult with and, if necessary, seek advice from its Compliance Adviser on a timely basis in the following circumstances:

...

(2) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues, **sales of treasury shares out of treasury** and share repurchases;

..."

Amendments to Chapter 4 of the Listing Rules

Chapter 4 of the Listing Rules contains the rules relating to accountants' reports and pro forma financial information. In relation to the basic contents of accountants' report for a listing document, Rule 4.04 is amended to read:

"In the case of a new applicant (rule 4.01(1)) and an offer of securities to the public for subscription or purchase falling within rule 4.01(2) the accountants' report must include:

...

(8) the earnings per share **(which, for the avoidance of doubt, will not take account of treasury shares)** and the basis of computation in respect of each of the financial years referred to in rules 4.04(1) and 4.04(2) except that the accountants' report need not include this information if, in the opinion of the reporting accountants, such information is not meaningful having regard to the purpose of the accountants' report or if combined results are presented in accordance with rule 4.09 or if the accountants' report relates to an issue of debt securities;

..."

In relation to pro forma financial information, Rule 4.29 is amended to read:

"Where an issuer includes pro forma financial information in any document (whether or not such disclosure of pro forma financial information is required under the Exchange Listing Rules), that information must comply with rules 4.29(1) to (6) and a report in the terms of rule 4.29(7) must be included in the relevant document.

...

(8) Where the pro forma earnings per share information is given for a transaction which includes the issue of securities **or the sale of treasury shares out of treasury for cash**, the calculation is to be based on the weighted average number of shares outstanding during the period **(other than treasury shares)**, adjusted as if that issue had taken place at the beginning of the period."

Amendments to Chapter 6 of the Listing Rules

Chapter 6 of the Listing Rules contains the rules relating to suspension, cancellation and withdrawal of listing. Rule 6.02 to Rule 6.10 of the Listing Rules contain the rules in relation to suspension of listing.

In particular, Rule 6.03 provides that "the burden shall be on the issuer requesting a suspension of trading in its securities to satisfy the Exchange that a suspension would be appropriate", Rule 6.05 provides that "the duration of any suspension should be for the shortest possible period. It is the responsibility of the issuer of securities suspended from trading to ensure that trading in its securities resumes as soon as practicable following the publication of an appropriate announcement in accordance with rule 2.07C or when the specific reasons given by the issuer in support of its request for a suspension of trading in its securities, pursuant to rule 6.02, no longer apply", while Rule 6.08 provides that "the power conferred upon the Exchange by Rule 6.07 shall not be exercised without first giving the issuer of the suspended securities the opportunity of being heard in accordance with Rule 2B.07(6). At any hearing in connection with a direction pursuant to Rule 6.07, the burden shall be on the issuer opposing the resumption of trading in its securities to satisfy the Exchange that a continued suspension would be appropriate."

Note (1) to rules 6.03, 6.05 and 6.08 is amended to read:

"The Exchange is under an obligation to maintain a orderly and fair market for the trading of all Exchange listed securities and listed securities **(other than treasury shares)** should be continuously traded save in exceptional circumstances."

Rule 6.11 to Rule 6.16 of the Listing Rules contain the rules relating to withdrawal of listing. In particular, Rule 6.15 of the Listing Rules is amended to read:

"An issuer may voluntarily withdraw its listing on the Exchange, irrespective of whether it has an alternative listing or not, if:

(1) after a general offer a right to compulsory acquisition is exercised pursuant to applicable laws and regulations (the requirements of which are, where the issuer is not a company incorporated in Hong Kong, at least as onerous as those applicable if it were) resulting in the acquisition of all the listed securities of the issuer **(other than treasury shares)**; or

...

and, in either case, it has given its shareholders notice of the proposed withdrawal of the listing by way of an announcement published in accordance with rule 2.07C and the intention not to retain the issuer's listing on the Exchange has been stated in a circular to shareholders."

Amendments to Chapter 7 of the Listing Rules

Chapter 7 of the Listing Rules deals with the various methods of listing of equity securities. In relation to rights issues, Rule 7.19 is amended to read:

" ...

(6) If the proposed rights issue would increase either the issued share capital **(excluding treasury shares)** or the market capitalisation of the issuer by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12 month period immediately preceding the announcement of the proposed rights issue or (ii) prior to such 12 month period where dealing in respect of the shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities **(other than any such bonus securities to be issued into treasury)**, warrants or other convertible securities (assuming full conversion) granted or to be granted to shareholders as part of such rights issues or open offers):

(a) the rights issue must be made conditional on approval by shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour. The issuer must disclose the information required under rule 2.17 in the circular to shareholders;

(b) the issuer shall set out in the circular to shareholders the purpose of the proposed rights issue, together with the total funds expected to be raised and a detailed breakdown and description of the proposed use of the proceeds. The issuer shall also include the total funds raised and a detailed breakdown and description of the funds raised on any issue of equity securities in the 12 months immediately preceding the announcement of the proposed rights issue, the use of such proceeds, the intended use of any amount not yet utilised and how the issuer has dealt with such amount; and

(c) the Exchange reserves the right to require the rights issue to be fully underwritten.".

In relation to open offers, Rule 7.24 of the Listing Rules is amended to read:

“ ...

(5) If the proposed open offer would increase either the issued share capital **(excluding treasury shares)** or the market capitalisation of the issuer by more than 50% (on its own or when aggregated with any other open offers or rights issues announced by the issuer (i) within the 12 month period immediately preceding the announcement of the proposed open offer or (ii) prior to such 12 month period where dealing in respect of the shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities **(other than any such bonus securities to be issued into treasury)**, warrants or other convertible securities (assuming full conversion) granted or to be granted to shareholders as part of such rights issues or open offers):

(a) the open offer must be made conditional on approval by shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour. The issuer must disclose the information required under rule 2.17 in the circular to shareholders;

(b) the issuer shall set out in the circular to shareholders the purpose of the proposed open offer, together with the total funds expected to be raised and a detailed breakdown and description of the proposed use of the proceeds. The issuer shall also include the total funds raised and a detailed breakdown and description of the funds raised on any issue of equity securities in the 12 months immediately preceding the announcement of the proposed open offer, the use of such proceeds, the intended use of any amount not yet utilised and how the issuer has dealt with such amount; and

(c) the Exchange reserves the rights to require the open offer to be fully underwritten.”.

Amendments to Chapter 10 of the Listing Rules

Chapter 10 of the Listing Rules contains the rules relating to restrictions on purchase and subscription of equity securities. In relation to the restrictions on preferential treatment of purchase and subscription applications, Rule 10.01 of the Listing Rules is amended to read:

“Normally no more than ten per cent of **the aggregate of** any securities being marketed for which listing is sought **and/or any treasury shares being sold (but not any treasury shares being sold or transferred out of treasury for the purposes of an employees’ share scheme)** may be offered to employees or past employees of the issuer or its subsidiaries or associated companies and their respective dependants or any trust, provident fund or pension scheme for the benefit of such persons on a preferential basis (including selection under a placing in accordance with the placing guidelines set out in Appendix 6). Any preferential treatment must be approved by the Exchange prior to the marketing and the issuer concerned may be called upon to supply particulars of such employees, past employees and their respective dependants and the objects, beneficiaries or members of any trust, provident fund or pension scheme as well as the results of subscription by employees, past-employees, their respective dependants and any trust, provident fund or pension scheme for the benefit of such persons. The issuer must maintain records of such particulars for a period of not less than 12 months from the date of approval and make the same available for inspection by the Exchange during the said period."

In relation to the restrictions and notification requirements on issuers purchasing their own shares on a stock exchange, Rule 10.06 is amended to read:

" ...

(1)(b) the issuer must send to its shareholders an Explanatory Statement (at the same time as the notice of the relevant shareholders' meeting) containing all the information reasonably necessary to enable those shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the purchase by the issuer of shares including the information set out below:

...

(viii) a statement giving details of any purchases by the issuer of shares made in the previous six months (whether on the Exchange or otherwise), giving the date of each purchase and the purchase price per share or the highest and lowest prices paid for such purchases, **together with details of any such repurchases which resulted in the issuer holding treasury shares and details of any transfer, sale or cancellation of such treasury shares by the issuer during that period (including the date of any transfer, sale or cancellation and the price of any sale of treasury shares or the highest and lowest price of any such sales, where relevant)** where relevant;

...

(1)(c) the ordinary resolution proposed to shareholders to give the directors of the issuer a specific approval or general mandate to purchase shares must include the following:

(i) the total number and description of the shares which the issuer is authorised to purchase, provided that the number of shares which the issuer is authorised to purchase on the Exchange or on another stock exchange recognised for this purpose by the Commission and the Exchange under the Code on Share Repurchases, may not exceed 10 per cent. of the issued share capital **(excluding treasury shares)** of the issuer and the total number of warrants to subscribe for or purchase shares (or other relevant class of securities) authorised to be so purchased may not exceed 10 per cent. of the warrants of the issuer (or such other relevant class of securities, as the case may be), in each case as at the date of the resolution granting the general mandate; and

...

...

(4) Reporting Requirements

An issuer shall:

...

(b) include in its annual report and accounts a monthly breakdown of purchases of shares made during the financial year under review showing the number of shares purchased each month (whether on the Exchange or otherwise), ~~and~~ the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, ~~and~~ the aggregate price paid by the issuer for such purchases, the number of shares held as treasury shares following such purchases**, the number of treasury shares sold, transferred or cancelled (on a monthly basis) and the number of treasury shares held following such sale, transfer or cancellation (at the end of each month).** The directors' report shall contain reference to the purchases made during the year and the directors reasons for making such purchases.

(5) Status of Purchased shares

Other than those listed shares purchased by an issuer to be held as treasury shares, the listing of all shares which are purchased by an issuer (whether on the Exchange or otherwise) shall be automatically cancelled upon purchase and the issuer must apply for listing of any further issues of that type of shares in the normal way. The issuer shall ensure that the documents of title of purchased shares **(other than documents of title relating to the shares to be held as treasury shares)** are cancelled and destroyed as soon as reasonably practicable following settlement of any such purchase. **Where shares are held as treasury shares following a purchase by the issuer, the listing of those treasury shares shall also be cancelled. If those treasury shares are subsequently cancelled by the issuer, the issuer shall ensure that the documents of title of any cancelled treasury shares are destroyed as soon as reasonably practicable following such cancellation.**

..."

Rule 10.06 of the Listing Rules is also amended by the insertion of a note to rule 10.06(5) of the Listing Rules as follow:

"Note: For the avoidance of doubt, shares purchased by an issuer to hold as treasury shares will remain listed in Singapore (but not in Hong Kong) and will not be cancelled, thus no new listing application is required in Singapore. Any subsequent sale of such treasury shares or transfer of such treasury shares pursuant to an employees' share scheme shall, for the purposes of the Exchange's Listing Rules, constitute a new issue of shares and shall require a new listing application to be made."

Amendments to Chapter 13 of the Listing Rules

Chapter 13 of the Listing Rules contains the continuing obligations of issuers.

Rule 13.25A contains the rules relating to changes in the issued share capital of the issuer. In particular, Rule 13.25A is modified by the insertion of a new sub-paragraph (2)(xi) as follow:

"(1) In addition and without prejudice to specific requirements contained elsewhere in the Exchange Listing Rules, a listed issuer shall, whenever there is a change in its issued share capital as a result of or in connection with any of the events referred to in rule 13.25A(2), submit through HKEx-EPS, or such other means as the Exchange may from time to time prescribe, for publication on the Exchange's website a return in such form and containing such information as the Exchange may from time to time prescribe by not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the Business Day next following the relevant event.

(2) The events referred to in rule 13.25A(1) are as follows:

(a) any of the following:

(i) ...

(x) capital reorganisation; ~~or~~

(xi) sale of treasury shares out of treasury or cancellation of treasury shares; or

(xii) change in issued share capital not falling within any of the categories referred to in rule 13.25A(2)(a)(i) to **(xi)** or rule 13.25A(2)(b); and

..."

(3) The disclosure obligation for an event in rule 13.25A(2)(b) only arises where:

(a) the event, either individually or when aggregated with any other events described in that rule which have occurred since the listed issuer published its last monthly return under rule 13.25B or last return under this rule 13.25A (whichever is the later), results in a change of 5% or more of the listed issuer's issued share capital **(excluding treasury shares)**; or

...

(4) For the purposes of rule 13.25A(3), the percentage change in the listed issuer's issued share capital **(excluding treasury shares)** is to be calculated by reference to the listed issuer's total issued share capital as it was immediately before the earliest relevant event which has not been disclosed in a monthly return published under rule 13.25B or a return published under this rule 13.25A."

In relation to the submission of the monthly return, Rule 13.25B of the Listing Rules is modified by the insertion of the following:

"A listed issuer shall, by no later than 9:00 a.m. of the fifth Business Day next following the end of each calendar month, submit through HKEx-EPS, or such other means as the Exchange may from time to time prescribe, for publication on the Exchange's website a monthly return in relation to movements in the listed issuer's equity securities, debt securities and any other securitised instruments, as applicable, during the period to which the monthly return relates, in such form and containing such information as the Exchange may from time to time prescribe (irrespective of whether there has been any change in the information provided in its previous monthly return). Such information includes, among other things, the number as at the close of such period of equity securities **(including the number of any equity securities held as treasury shares)**, debt securities and any other securitised instruments, as applicable, issued and which may be issued pursuant to options, warrants, convertible securities or any other agreements or arrangements. **Such information shall also include details of the sale of treasury shares out of treasury or cancellation of treasury shares.**"

In relation to the issue of securities, Rule 13.28 of the Listing Rules is amended to read:

"Where the directors agree to issue securities for cash in accordance with rule 13.36(1)(a) or 13.36(2), **or transfer treasury shares as consideration, or agree to sell treasury shares out of treasury for cash other than in connection with an employee share scheme,** an issuer shall publish an announcement in accordance with rule 2.07C as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next Business Day, containing the following information:

(1) the name of the issuer;

(2) the number, class and aggregate nominal value of the securities agreed to be issued**, treasury shares transferred as consideration or treasury shares sold out of treasury**;

(3) the total funds to be raised and the proposed use of the proceeds;

(4) the issue**/transfer/sale** price of each security and the basis for determining the same;

(5) the net price to the issuer of each security;

(6) the reasons for making the issue**/transfer/sale**;

(7) the names of the allottees**/transferees**, if less than six in number and, in the case of six or more allottees**/transferees**, a brief generic description of them. The Exchange reserves the right to require submission of such further information (on an electronic spreadsheet or such other format as it may request) on the allottees**/transferees** as it may consider necessary for the purpose of establishing their independence, including without limitation details of beneficial ownership;

(8) the market price of the securities concerned on a named date, being the date on which the terms of the issue**, treasury shares transferred as consideration or sale of treasury shares out of treasury** were fixed;

(9) the total funds raised and a detailed breakdown and description of the funds raised on any issue of equity securities**, treasury shares transferred as consideration or sale of treasury shares out of treasury** in the 12 months immediately preceding the announcement of the proposed issue of securities, the use of such proceeds, the intended use of any amount not yet utilised and how the issuer has dealt with such amount."

(10) where applicable, the name of the underwriter/placing agent and the principal terms of the underwriting/placing arrangements;

(11) a statement whether the issue**, treasury shares transferred as consideration or sale of treasury shares out of treasury** is subject to shareholder's approval;

(12) where the securities are issued under a general mandate granted to the directors by the shareholders in accordance with rule 13.36(2)(b), details of the mandate;

(13) where the securities are issued by way of a rights issue or an open offer, **or where treasury shares are transferred as consideration or where treasury shares are sold out of treasury,** the information set out in paragraph 18 of Appendix 1, Part B;

(14) conditions to which the issue is subject or a negative statement if applicable; and

(15) any other material information with regard to the issue**, treasury shares transferred as consideration or sale of treasury shares out of treasury,** including any restrictions on the ability of the issuer to issue further securities**, transfer treasury shares as consideration or sell treasury shares out of treasury,** or any restrictions on the ability of the allottees to dispose of shares issued**, treasury shares transferred or sold** to them or any restrictions on the ability of existing shareholders to dispose of their securities arising in connection with the allotment**, or transfer or sale of treasury shares**".

In relation to pre-emptive rights, Rule 13.36(2)(b) is amended to read:

"(1)(a) Except in the circumstances mentioned in rule 13.36(2), the directors of the issuer (other than a PRC issuer, to which the provisions of rule 19A.38 apply) shall obtain the consent of shareholders in general meeting prior to allotting, issuing or granting:

(i) shares;

(ii) securities convertible into shares; or

(iii) options, warrants or similar rights to subscribe for any shares or such convertible securities.

...

(2) No such consent as is referred to in rule 13.36(1)(a) shall be required:

...

(b) if, but only to the extent that, the existing shareholders of the issuer have by ordinary resolution in general meeting given a general mandate to the directors of the issuer, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to allot or issue such securities or to grant any offers, agreements or options which would or might require securities to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter, subject to a restriction that the aggregate number of securities allotted or agreed to be allotted must not exceed the aggregate of 20% of the existing issued share capital of the issuer **(excluding treasury shares)** (or in the case of a scheme of arrangement involving an introduction in the circumstances set out in rule 7.14(3), 20% of the issued share capital of an overseas issuer **(excluding treasury shares)** following the implementation of such scheme) plus the number of such securities repurchased **and cancelled** by the issuer itself since the granting of the general mandate (up to a maximum number equivalent to 10% of the existing issued share capital of the issuer), provided that the existing shareholders of the issuer **(excluding treasury shares)** have by a separate ordinary resolution in general meeting given a general mandate to the directors of the issuer to add such repurchased securities to the 20% general mandate.

..."

Amendments to Chapter 15 of the Listing Rules

Chapter 15 of the Listing Rules contains the rules relating to options, warrants and similar rights. In particular, Rule 15.02 is amended to read:

"All warrants must, prior to the issue or grant thereof, be approved by the Exchange and in addition, where they are warrants to subscribe equity securities, by the shareholders in general meeting (unless they are issued by the directors under the authority of a general mandate granted to them by shareholders in accordance with rule 13.36(2). In the absence of exceptional circumstances which would include, by way of example, a rescue reorganisation, the Exchange will only grant approval to the issue or grant of warrants to subscribe securities if the following requirements are complied with:

(1) the securities to be issued **or transferred out of treasury** on exercise of the warrants must not, when aggregated with all other equity securities which remain to be issued **or transferred out of treasury** on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed twenty per cent. of the issued equity capital of the issuer **(excluding treasury shares)** at the time such warrants are issued. Options granted under employee or executive share schemes which comply with Chapter 17 are excluded for the purpose of this limit; and

..."

Amendment to Appendix 1B of the Listing Rules

Appendix 1B sets out the content requirements of listing documents, in the case where listing is sought for equity securities of an issuer some part of whose share capital is already listed. In relation to general information about the group's activities, Paragraph 26(1)(b) of Appendix IB to the Listing Rules is amended as such:

"additional information in respect of major customers (meaning, other than in relation to consumer goods or services, the ultimate customer, and in relation to consumer goods or services the ultimate wholesaler or retailer as the case may be) and suppliers (meaning the ultimate supplier of items which are not of a capital nature) as follows:

(i) ...

(v) a statement of the interests of any of the directors; their associates; or any shareholder (which to the knowledge of the directors owns more than 5% of the issuers' share capital **(excluding treasury shares)**) in the suppliers or customers disclosed under (i) to (iv) above or if there are no such interests a statement to that effect.

..."

Amendment to Appendix 2B of the Listing Rules

Appendix 2B of the Listing Rules sets out the rules in relation to definitive documents of title. In relation to registered equity securities, Paragraph 5 is amended to read:

"If the certificate relates to shares and there is more than one class in issue:

...

(2) if any such class (other than the preference or preferred shares so described) is a class the holders of which are not entitled to vote at general meetings of the issuer, the words "non voting" must appear legibly on every certificate therefore issued by the issuer. **For the avoidance of doubt, this rule shall not apply to treasury shares, which shall be non-voting**

..."

Amendment to Appendix 3 of the Listing Rules

Appendix 3 of the Listing Rules sets out the conforming requirements of the articles of association or equivalent document of issuers. In relation to the articles or constitution as regards non-voting or restricted voting shares, paragraph 10(1) is amended to read:

"That, where the capital of the issuer includes shares which do not carry voting rights, the words "non-voting" must appear in the designation of such shares. **For the avoidance of doubt, this rule shall not apply to treasury shares, which shall be non-voting**".

Amendments to Forms Contained in Appendix 5 of the Listing Rules

Appendix 5 of the Listing Rules contains the forms relating to applications for listing on the Stock Exchange. The Company will amend the following relevant forms contained in Appendix 5 of the Listing Rules to the extent necessary (if at all) as and when it is required to submit such forms pursuant to the Listing Rules.

1. Form E – Sole Sponsor's Declaration

When appropriate the Company will amend paragraph (3) of the sponsor's declaration as follow: "25% of the total issued share capital of the Issuer **(excluding treasury shares)** have been placed/will be held in the hands of the public in accordance with rule 8.08 of the Listing Rules at the time of the Issuer's listing; and..."

2. Form F – Director's Declaration

Paragraph 3 of Form F is amended to read "that......Shares of....(Number & Class).....HK$.........Debenture/Loan Stock........Debenture/Notes/Bonds **(of which......Shares of HK$.......were treasury shares which were sold out of treasury for cash)** have been subscribed/purchased for cash and duly allotted/issued/transferred to the subscribers/purchasers (and that the said shares have been converted into HK$........Stock); ..."

Amendments to Appendix 16 of the Listing Rules

Appendix 16 of the Listing Rules sets out the minimum financial information that a listed issuer shall include in its preliminary announcement of results, interim reports, summary interim reports, annual reports, summary financial reports, listing documents and circulars in relation to equity securities.

In relation to the requirement for financial statements, Paragraph 2 of Appendix 16 of the Listing Rules is amended to read:

"Each set of financial statements presented in an annual report, listing document, or circular, shall... include, at a minimum, the following components:

(1) ...

(4) statement of changes in equity **(which, for the avoidance of doubt, will include any changes in respect of treasury shares held by the listed issuer)**;

..."

In relation to the basic financial information required in financial statements, Paragraph 4 of Appendix 16 of the Listing Rules is amended to read:

"Financial statements... shall include at least the information set out below...

(1) Income statement

(a) ...

(g) earnings per share **(which, for the avoidance of doubt, will not take account of treasury shares)**;

..."

Paragraphs 6 to 34A of Appendix 16 to the Listing Rules contain the rules relating to the information requirement in annual reports.

In particular, paragraph 10 of Appendix 16 of the Listing Rules is amended to read:

"In relation to transactions in its securities, or securities of its subsidiaries during the financial year a listed issuer shall include:

(1) ...

(4) particulars of any purchase, sale or redemption by the listed issuer, or any of its subsidiaries, of its listed securities during the financial year, or an appropriate negative statement. Such statement must include the aggregate price paid or received by the listed issuer for such purchases, sales or redemptions and should distinguish between those securities purchased or sold:

(a) on the Exchange;

(b) on another stock exchange;

(c) by private arrangement; and

(d) by way of a general offer.

Any such statement must also distinguish between those listed securities which are purchased **and cancelled** by the listed issuer ~~**(and, therefore cancelled)**~~ and **those securities which are purchased and held as treasury shares by that issuer and any existing treasury shares cancelled by the issuer** and those securities which are purchased, by a subsidiary of the listed issuer".

Paragraph 11 of Appendix 16 of the Listing Rules is amended to read:

"In the case of any issue for cash of equity securities **or sale of treasury shares** made otherwise than **to** shareholders in proportion to their shareholdings **(excluding any transfer of treasury shares for the purposes of an employee share scheme)** and which has not been specifically authorised by the shareholders, a listed issuer shall disclose:

(1) the reasons for making the issue**/sale**;

(2) the classes of equity securities issued**/sold**;

(3) as respect each class of equity securities, the number issued**/sold**, their aggregate nominal value;

(4) the issue**/sale** price of each security;

(5) the net price to the listed issuer of each security;

(6) the names of the allottees**/transferees**, if less than six in number, and, in the case of six or more allottees**/transferees**, a brief generic description of them;

(7) the market price of the securities concerned on a named date, being the date on which the terms of the issue**/sale** were fixed; and

(8) the use of the proceeds."

Paragraph 31 of Appendix 16 of the Listing Rules is amended to read:

"A listed issuer shall include information in respect of its major customers (meaning, other than in relation to consumer goods or services, the ultimate customer, and in relation to consumer goods or services the ultimate wholesale or retailer as the case may be) and its major suppliers (meaning the ultimate supplier of items which are not of a capital nature) as follows:

(1) ...

(5) a statement of the interests of any of the directors; their associates; or any shareholder (which to the knowledge of the directors owns more than 5% of the listed issuers' share capital **(excluding treasury shares)**) in the suppliers or customers disclosed under (1) to (4) above or if there are no such interests a statement to that effect.

..."

In relation to the information required to accompany interim reports, paragraph 37 of Appendix 16 of the Listing Rules is amended to read:

"A listed issuer shall prepare an interim report in respect of the first six months of its financial year, unless that financial year is of six months or less. Banking companies shall, in addition, comply with Appendix 15 as regards the disclosure requirements for an interim report. That interim report shall include, at a minimum, the following components:

(1) ...

(4) a statement of changes in equity **(which, for the avoidance of doubt, will include any changes in respect of treasury shares)**;

..."

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation

Our Company was incorporated in Singapore as a private company with limited liability under the Singapore Companies Act on 17 November 2000 and converted to a public company with limited liability on 12 January 2004. We have established a place of business in Hong Kong at 8th Floor, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong and registered as an overseas company under Part XI of the Hong Kong Companies Ordinance under the same address. Ngai Wai Fung has been appointed as our agent for the acceptance of service of process and notices under the same address. As we are incorporated in Singapore, our corporate structure, and our Memorandum and Articles of Association are subject to the relevant laws of Singapore. A summary of the relevant provisions of our Memorandum and Articles of Association and certain relevant aspects of the Singapore Companies Act are set out in Appendix V-A to this prospectus.

2. Changes in Share Capital

As of the date of our Company's incorporation, our authorised share capital was S$100,000 divided into 100,000 shares of par value of S$1.00 each. Pursuant to the Companies (Amendment) Act 2005, companies incorporated in Singapore no longer have an authorised share capital and there is no concept of par value in respect of issued Shares. The following sets out the changes in our share capital within the two years preceding the date of this prospectus:

(a) On 9 May 2008, 200,000 Shares were issued and allotted to our Company's employee pursuant to the exercise of share options under the ESOS at S$0.873 per Share; and

(b) On 24 July 2009, an aggregate of 120,000,000 Shares were issued and allotted at the issue price of S$0.755 per Share in connection with a placement in Singapore pursuant to Section 272B of the SFA and a placement outside Singapore to institutional investors.

Assuming that the Global Offering becomes unconditional and the Offer Shares are issued, our share capital upon completion of the Global Offering will be divided into 1,184,367,800 Shares (excluding treasury Shares) assuming that the Over-allotment Option and all outstanding Options are not exercised.

Save as described above, there has been no alteration in our Company's share capital within the two years preceding the date of this prospectus.

3. Resolutions of Our Shareholders

At the annual general meeting of our Company held on 30 April 2010, resolutions of Shareholders were passed pursuant to which, amongst other things, authority was given to our Directors to allot and issue Shares or convertible securities (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as our Directors shall in their absolute discretion deem fit, provided that the aggregate number of Shares and convertible securities in our Company to be issued pursuant to such authority shall not exceed 50% of the total number of issued Shares excluding treasury Shares of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to the Shareholders of our Company does not exceed 20% of the total number of issued Shares excluding treasury Shares.

The above mandate shall, unless revoked or varied by our Company at a general meeting, continue to be in force until the conclusion of the next annual general meeting or the date by which the next general meeting of our Company is required by law to be held, whichever is the earlier.

For the purposes of this resolution and Rule 806(3) of the Listing Manual, the percentage of issued share capital (excluding treasury Shares) is based on the issued share capital of our Company (excluding treasury Shares) at the time this resolution is passed after adjusting for:

(i) new Shares arising from the conversion or exercise of convertible securities;

(ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of SGX-ST; and

(iii) any subsequent consolidation or subdivision of Shares.

(collectively, the "Adjustment Events")

The above mandate approved by our Shareholders has been in effect since 30 April 2010. However, upon the listing of our Company on the Stock Exchange, our Company will comply with Rule 13.36(2) of the Listing Rules, which states that if, but only to the extent that, our existing Shareholders have by ordinary resolution in general meeting given a general mandate to our Directors to allot or issue such securities or to grant any offers, agreements or options which would or might require securities to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter, subject to a restriction that the aggregate number of securities allotted or agreed to be allotted must not exceed the aggregate of 20% of the issued share capital of our Company, plus the number of such securities repurchased by our Company itself since the granting of the general mandate (up to a maximum number equivalent to 10% of the existing issued share capital of our Company), provided that our Shareholders have by a separate ordinary resolution in general meeting given a general mandate to our Directors to add such repurchased securities to the 20% general mandate. Our Company has not obtained such a mandate for the repurchase of securities at the annual general meeting held on 30 April 2010. As such, the aggregate number of securities allotted or agreed to be allotted by our Company must not exceed the aggregate of 20% of the issued share capital of our Company as at the date of the annual general meeting on 30 April 2010, and the Adjustment Events under Rule 806(3) of the Listing Manual will not apply.

At the extraordinary general meeting of our Company held on 30 April 2010, resolutions of Shareholders were passed pursuant to which our Shareholders approved:

(a) the adoption of the Company's new Memorandum and Articles of Association with effect from the listing of our Shares on the Stock Exchange;

(b) conditional upon the conditions for completion of the Global Offering being fulfilled, the Global Offering and authorisation for our Directors to allot and issue the Offer Shares pursuant to the Global Offering; and

(c) the adoption of the Chinese name "麥達斯控股有限公司" as the Company's secondary name.

4. Changes in Share Capital of the Subsidiaries of Our Group

Our subsidiaries are referred to in the accountants' report as set out in Appendix I. The following alterations in the share capital (or registered capital, as the case may be) of our subsidiaries have taken place within the two years preceding the date of this prospectus:

Jilin Midas

On 25 November 2008, the registered capital of Jilin Midas was increased from US$35,000,000 to US$53,000,000. The increase in registered capital was through the conversion of an existing shareholder's loan amounting to US$18,000,000 from NE Industries to Jilin Midas.

On 5 June 2009, the registered capital of Jilin Midas was increased from US$53,000,000 to US$104,000,000. The registered capital of Jilin Midas was fully paid up.

On 11 November 2009, the registered capital of Jilin Midas was increased from US$104,000,000 to US$134,000,000. The first instalment of US$6,000,040 has been paid up and the balance of US$23,999,960 shall be paid up by October 2010.

Save as described above, there has been no other alteration in the share capital of the subsidiaries of our Company in the two years preceding the date of this prospectus.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that are or may be material:

(1) an asset transfer agreement dated 20 December 2008 between Jilin Midas, Liaoyuan Jiali and Liaoyuan Municipal Economic and Development Zone Construction and Investment Company Limited in respect of the acquisition of certain assets consisting of land, buildings (including some still under construction), ancillary facilities, machineries and equipment from Liaoyuan Jiali for a consideration of RMB168 million, which was subsequently reduced to RMB158 million (as stated in the completion certificate to this agreement) as the Company did not acquire part of the land which covered an area of 30,000 square metres;

(2) a supplemental asset transfer agreement dated 27 December 2008 in relation to paragraph (1) above, between Jilin Midas, Liaoyuan Jiali and Liaoyuan Municipal Economic and Development Zone Construction and Investment Company Limited in respect of the acquisition of certain assets consisting of land, buildings (including some still under construction), ancillary facilities, machineries and equipment from Liaoyuan Jiali;

(3) a placement agreement dated 16 July 2009 between the Company and DBS Bank Ltd. in respect of the placement of up to 120,000,000 placement shares at an issue price of S$0.755 per share with a placement commission of 1.25% of the aggregate issue price for the placement shares subscribed pursuant to this placement agreement;

(4) an undertaking dated 12 March 2010 given by our substantial shareholders to Midas Beijing indemnifying Midas Beijing of any fines, liabilities or claims arising from, among other things, its failure to contribute to the employees' housing fund;

(5) an undertaking dated 12 March 2010 given by our substantial shareholders to Jilin Midas indemnifying Jilin Midas of any liabilities arising from its lease of the farm land; and

(6) the Hong Kong Underwriting Agreement dated 20 September 2010 entered into by our Company, Mr. Chen Wei Ping, Mr. Chew Hwa Kwang, Patrick, Credit Suisse, J.P. Morgan Asia Pacific, CCBI and the Hong Kong Underwriters in relation to the underwriting of the Hong Kong Public Offer by the Hong Kong Underwriters as referred to in the section headed "Underwriting" of this prospectus.

2. Intellectual Property Rights

As of the Latest Practicable Date, our Group has registered/has applied for the registration of the following intellectual property rights.

(A) Patents

As of the Latest Practicable Date, our Group does not own any registered patents.

(B) Trademarks

As of the Latest Practicable Date, our Group is the owner of certain registered trademarks, details of which are as follows:

Trade/Service Marks	Name of Registered Owner	Territory of Registration	Class	Registration Number	Commencement Date (DD/MM/YY)
麥達斯	Jilin Midas	PRC	Class 6	1909050	21/11/02
双鲸	Wanshida	PRC	Class 19	1588711	21/06/01

As of the Latest Practicable Date, our Group is in the process of applying for the following trademarks, details of which are as follows:

Trade/Service Marks	Name of Registered Owner	Territory of Registration	Class	Registration Number	Application Date (DD/MM/YY)
麦 达 斯	Jilin Midas	PRC	Class 6	7517059	03/07/09
麥達斯	Jilin Midas	PRC	Class 6	7517060	03/07/09

Trade/Service Mark	Name of registered owner	Territory of Registration	Class	Registration Number	Application Date
	Midas Holdings Limited	Hong Kong	6, 19, 42	301667557	19 July 2010
	Midas Holdings Limited	Hong Kong	6, 19, 42	301667557	19 July 2010
MIDAS	Midas Holdings Limited	Hong Kong	6, 19, 42	301667566	19 July 2010
Midas	Midas Holdings Limited	Hong Kong	6, 19, 42	301667566	19 July 2010
麦达斯	Midas Holdings Limited	Hong Kong	6, 19, 42	301667575	19 July 2010
麥達斯	Midas Holdings Limited	Hong Kong	6, 19, 42	301667575	19 July 2010

(C) Domain Names

As at the Latest Practicable Date, our Group is the registered owner of the domain name midas.com.sg.

C. DISCLOSURE OF INTERESTS

(a) Interests and short positions of Directors and the Chief Executive in the Share Capital of our Company

Immediately following completion of the Global Offering (without taking into account Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and the Options under the ESOS), the interests of the Directors and chief executive officer of our Company in the equity or debt securities of our Company or any associated corporations (within the meaning of Part XV of the SFO) which, absent the grant of any waiver, will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) once the Shares are listed, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein once the Shares are listed, or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to our Company and the Stock Exchange once the Shares are listed will be as follows:

Name of Director	Nature of Interest	Number and class of securities[1]	Approximate percentage of interest in our Company immediately after the Global Offering[2]
Chen Wei Ping	Beneficial Interest	130,905,200[3] Shares (L)	11.05%
Chew Hwa Kwang, Patrick	Beneficial Interest	120,711,800[4] Shares (L)	10.19%
Tong Wei Min, Raymond	Beneficial Interest and Deemed Interest	530,000[5](L)	0.04%
Chew Chin Hua	Beneficial Interest and Deemed Interest	1,600,000[6](L)	0.14%
Chan Soo Sen	Beneficial Interest and Deemed Interest	–[7]	–

Notes:

(1) The letter "L" denotes the person's long position in such Shares.

(2) Based on 1,184,367,800 issued Shares (excluding treasury Shares), assuming the Over-allotment Option and all outstanding Options are not exercised.

(3) Chen Wei Ping holds Options to purchase an aggregate of 1,500,000 Shares.

(4) 33,000,000 of these Shares are the subject of the Stock Borrowing Agreement. In addition, Chew Hwa Kwang, Patrick holds Options to purchase an aggregate of 1,500,000 Shares.

(5) Tong Wei Min, Raymond holds Options to purchase an aggregate of 250,000 Shares.

(6) Chew Chin Hua holds Options to purchase an aggregate of 550,000 Shares.

(7) Chan Soo Sen holds Options to purchase an aggregate of 550,000 Shares.

2. Substantial Shareholders

So far as our Directors are aware, immediately following completion of the Global Offering (without taking into account any shares which may be issued pursuant to the exercise of the Over-allotment Option), the following persons will have an interest or short position in the Shares or underlying Shares of our Company which would, absent the grant of any waiver, fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will be, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group:

Name of Shareholder	Nature of interest	Number and class of securities	Approximate percentage of interest in our Company immediately after the Global Offering(1)
Chen Wei Ping	Beneficial interest	130,905,200	11.05%
Chew Hwa Kwang, Patrick	Beneficial interest	120,711,800	10.19%
The Capital Group(2)	Beneficial owner	87,282,000	7.37%

Notes:

(1) These figures assume that the Shareholders will not participate in the Global Offering or in the trading of any Shares between the Latest Practicable Date and the Listing Date. These figures are based on 1,184,367,800 issued Shares (excluding treasury Shares) after the Global Offering, assuming that the Over-allotment Option and all outstanding Options are not exercised.

(2) The shareholding percentage of The Capital Group is based on the information published on the SGX-ST as at the Latest Practicable Date.

3. Particulars of Service Contracts

Each of Chen Wei Ping and Chew Hwa Kwang, Patrick, being all our executive Directors, has entered into a service contract with our Company on 1 January 2009 for a term of three years commencing 1 January 2009, subject to termination before expiry by either party giving not less than six months' notice in writing to the other. Under these service contracts, each of Chen Wei Ping and Chew Hwa Kwang, Patrick will receive a monthly salary of S$41,000 and S$34,500, respectively. Chen Wei Ping and Chew Hwa Kwang, Patrick are also entitled to a monthly transport allowance of S$7,000 and S$6,000, respectively. In addition, each of them is also entitled to a bonus equivalent to a percentage of the Profit as described below. For this purpose, "Profit" means the audited consolidated profit before taxation and before profit sharing (excluding gains on exceptional items and extraordinary item) but after minority interests of our Group for the relevant year.

Name of Executive Director	Percentage of Profit that the Executive Director is entitled to as bonus		
	Where the Profit is at least S$7 million but less than S$10 million	Where the Profit is at least S$10 million but less than S$15 million	Where the Profit is S$15 million or more
Chen Wei Ping	2.8%	3.5%	4.2%
Chew Hwa Kwang, Patrick	1.2%	1.5%	1.8%

Save as disclosed above, none of our Directors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation other than the statutory compensation).

4. Directors' Remuneration

The aggregate amount of remuneration (including fees, salaries, contributions to pension schemes and other allowances and benefits in kind and discretionary bonuses) which were paid to our Directors for each of the three years ended 31 December 2007, 2008 and 2009 were approximately S$1,466,000, S$947,000 and S$1,036,000, respectively.

It is estimated that remuneration and benefits in kind, excluding any discretionary bonus payable to our Directors, that is equivalent to approximately S$1,200,000 in the aggregate will be paid and granted to our Directors by us in respect of the financial year ending 31 December 2010 under arrangements in force at the date of this prospectus.

5. Fees or Commissions Received

Save as disclosed in this prospectus, none of the Directors or any of the persons whose names are listed in the paragraph headed "Consents" in this Appendix had received any commissions, discounts, agency fee, brokerages or other special terms in connection with the issue or sale of any capital of any member of our Group from our Group within the two years preceding the date of this prospectus.

6. Related Party Transactions

During the two years preceding the date of this prospectus, we were engaged in related party transactions as described under note 35 of the accountants' report set out in Appendix I to this prospectus.

D. DISCLAIMERS

Save as disclosed in this prospectus:

(a) none of the Directors or chief executive of our Company has any interests and short positions in the Shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which, absent the grant of any waiver, will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors and Listed Companies to be notified to us and the Stock Exchange, in each case once our Shares are listed;

(b) none of our Directors nor any of the parties listed in the paragraph headed "Consents" in this Appendix is interested in our promotion, or in any assets which have, within the two years immediately preceding the issue of this prospectus, been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of our Directors nor any of the parties listed in the paragraph headed "Consents" in this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;

(d) save in connection with the Underwriting Agreements, none of the parties listed in the paragraph headed "Consents" in this Appendix:

(i) is interested legally or beneficially in any of our Shares or any shares in any of our subsidiaries; or

(ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities;

(e) within the two years preceding the date of this prospectus, we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;

(f) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;

(g) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;

(h) none of the equity securities of our Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought and we have no issued or outstanding debt securities;

(i) we have no outstanding convertible debt securities;

(j) within the two years immediately preceding the date of this prospectus, no commissions, discounts, brokerages or other special items have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;

(k) within the two years preceding the date of this prospectus, no commission has been paid or payable (except commissions to the underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares in our Company; and

(l) no amount or securities or benefit has been paid or allotted or given within the two years preceding the date of this prospectus to any of our promoters nor is any such securities or amount or benefit intended to be paid or allotted or given.

E. PRINCIPAL TERMS OF THE ESOS

The following is a summary of the principal terms of the ESOS adopted pursuant to the written resolutions of the Shareholders passed on 6 January 2004 and 28 April 2006:

1. Objectives of the ESOS

The objectives of the ESOS are as follows:

(a) to motivate participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group;

(b) to retain key employees whose contributions are essential to the long-term growth and prosperity of our Group;

(c) to instill loyalty to, and a stronger identification by participants with the long-term prosperity of, our Company;

(d) to attract potential employees with relevant skills to contribute to our Group and to create value for the Shareholders of our Company; and

(e) to align the interests of participants with the interests of the Shareholders of our Company.

2. Summary of the ESOS

A summary of the rules of the ESOS is set out as follows:

(1) Participants

Under the rules of the ESOS, employees of our Group, including executive and non-executive Directors, who have attained the age of 21 years on or before the relevant date of grant of the Option, and are not undischarged bankrupts or have entered into a composition with their respective creditors, are eligible to participate in the ESOS. An employee who is a Controlling Shareholder of our Company or an associate of a Controlling Shareholder shall be eligible to participate in the ESOS if (a) his participation in the ESOS and (b) the actual number of and terms of the Options to be granted to him have been approved by independent Shareholders of our Company in separate resolutions for each such person. The relevant employee is required to abstain from voting on, and (in the case of employees who are Directors) refrain from making any recommendation on, the resolutions in relation to the ESOS.

(2) Scheme Administration

The ESOS shall be administered by a committee comprising of Directors (the "Committee"), with powers to determine, inter alia, the following:

(a) persons to be granted Options;

(b) number of Options to be offered; and

(c) recommendations for modifications to the ESOS.

(3) Size of the ESOS

The aggregate number of shares over which the Committee may grant Options on any date, when aggregated with the number of shares issued and issuable in respect of all Options granted under the ESOS and any other share option schemes of our Company, shall not exceed 15% of the issued Shares of our Company on the day preceding the date of the relevant grant.

Our Company believes that such a limit set by the SGX-ST gives our Company sufficient flexibility to decide upon the number of Option Shares to offer to its existing and new employees. The number of eligible participants is expected to grow over the years. Our Company, in line with its goals of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of its talent pool which may involve employing new employees. The employee base, and thus the number of eligible participants will increase as a result. If the number of Options available under the ESOS is limited, our Company may only be able to grant a small number of Options to each eligible participant which may not be a sufficiently attractive incentive. Our Company is of the opinion that it should have sufficient number of Options to offer to new employees as well as to existing ones. The number of Options offered must also be significant enough to serve as a meaningful reward for contribution to our Group. However, it does not indicate that the Committee will definitely issue Option Shares up to the prescribed limit. The Committee shall exercise its discretion in deciding the number of Option Shares to be granted to each employee which will depend on the performance and value of the employee to our Group.

(4) Maximum Entitlements

The number of Shares comprised in any Options to be offered to a participant in the ESOS shall be determined at the absolute discretion of the Committee, who shall take into account criteria such as rank, past performance, years of service and potential for future development of that participant.

(5) Options, Exercise Period and Exercise Price

The Options that are granted under the ESOS may have exercise prices that are, at the Committee's discretion, (a) set at a discount to a price (the "Market Price") equal to the average of the last dealt prices for the shares on the SGX-ST for the five (5) consecutive market days immediately preceding the relevant date of grant of the relevant Option of a Share (subject to a maximum discount of twenty per cent. (20%)), in which event, such Options may be exercised after the second anniversary from the date of grant of the Option ("Incentive Option"); or (b) fixed at the Market Price ("Market Price Option"). Market Price Options may be exercised after the first anniversary of the date of grant of that Option. Options granted under the ESOS will have a life span of five (5) years.

(6) Grant of Options

Under the rules of the ESOS, there are no fixed periods for the grant of Options. As such, offers of the grant of Options may be made at any time from time to time at the discretion of the Committee.

However, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made after the second market day from the date on which the aforesaid announcement is made.

(7) Termination of Options

Special provisions in the rules of the ESOS deal with the lapse or earlier exercise of Options in circumstances which include the termination of the employment of the participant in our Group, the bankruptcy of the participant, the death of the participant, a take-over of our Company, and the winding-up of our Company.

(8) Acceptance of Options

The grant of Options shall be accepted within 30 days from the date of the offer. Offers of Options made to grantees, if not accepted before the closing date, will lapse. Upon acceptance of the offer, the grantee must pay our Company a consideration of S$1.00.

(9) Rights of Shares Arising from the Exercise of Options

Shares arising from the exercise of Options are subject to the provisions of the Memorandum and Articles of Association of our Company. The Shares so allotted will upon issue rank pari passu in all respects with the then existing issued Shares, save for any dividend, rights, allotments or distributions, the record date ("Record Date") for which falls on or after the relevant exercise date of the Option. "Record Date" means the date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions.

(10) Duration of the ESOS

The ESOS shall continue in operation for a maximum duration of ten (10) years and may be continued for any further period thereafter with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

(11) Abstention from Voting

Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the ESOS.

Grant of Options with a discounted exercise price

The ability to offer Options to participants of the ESOS with exercise prices set at a discount to the prevailing market prices of the Shares will operate as a means to recognise the performance of participants as well as to motivate them to continue to excel while encouraging them to focus more on improving the profitability and return of our Group above a certain level which will benefit all Shareholders when these are eventually reflected through share price appreciation. Discounted Options would be perceived in a more positive light by the participants, inspiring them to work hard and produce results in order to be offered Options at a discount as only employees who have made outstanding contributions to the success and development of the Group would be granted Options at a discount.

The flexibility to grant Options with discounted prices is also intended to cater to situations where the stock market performance has overrun the general market conditions. In such events, the Committee will have absolute discretion to:

(i) grant Options set at a discount to Market Price of a Share (subject to a maximum limit of twenty per cent. (20%)); and

(ii) determine the participants to whom, and the Options to which, such reduction in exercise prices will apply.

In determining whether to give a discount and the quantum of the discount, the Committee shall be at liberty to take into consideration factors including the performance of our Company, our Group, the performance of the participant concerned, the contribution of the participant to the success and development of our Group and the prevailing market conditions.

It is envisaged that our Company may consider granting the Options with exercise prices set at a discount to the Market Price of the shares prevailing at the time of grant under circumstances including (but not limited to) the following:

(a) where, due to speculative forces in the stock market resulting in an overrun of the market, the market price of the Shares at the time of the grant of Options is not a true reflection of the financial performance of our Company;

(b) to enable our Company to offer competitive remuneration packages in the event that the practice of granting Options with exercise prices that have a discount element becomes a general market norm. As share options become more significant components of executive remuneration packages, a discretion to grant Options with discounted prices will provide our Company with a means to maintain the competitiveness of our Group compensation strategy; and/or

(c) where our Group needs to provide more compelling motivation for specific business units to improve their performance, grants of share options with discounted exercise prices will help to align the interests of employees to those of the Shareholders by encouraging them to focus more on improving the profitability and return of our Group above a certain level which will benefit all Shareholders when these are eventually reflected through share price appreciation, as such the Options granted at a discount would be perceived more positively by the employees who receive such Options.

The Committee will determine on a case-by-case basis whether a discount will be given, and if so, the quantum of the discount, taking into account the objective that is desired to be achieved by our Company and the prevailing market conditions. As the actual discount given will depend on the relevant circumstances, the extent of the discount may vary from one case to another, subject to a maximum discount of twenty per cent. (20%) of the Market Price of a Share, as described in paragraph (5) above.

The discretion to grant Options to subscribe for Shares at an exercise price set at a discount to the market price will, however, be used judiciously. The amount of the discount may vary from one offer to another, and from time to time, subject to a limit of twenty per cent. (20%) on the quantum of discount in respect of Options granted under the ESOS.

Such flexibility in determining the quantum of discount would enable the Committee to tailor the incentives in the grant of Options to be commensurate with the performance and contribution of each individual participant. By individually recognising the degree of performance and contribution of each participant, the granting of Options at a commensurate discount would enable the Committee to provide incentives for better performance, greater dedication and loyalty of the participants.

Our Company may also grant Options without any discount to the market price. Additionally, our Company may, if it deems fit, impose conditions on the exercise of the Options (whether such Options are granted at the market price or at a discount to the market price), such as restricting the number of Shares for which the Option may be exercised during the initial years following its vesting.

Rationale for Participation of Employees of Our Group in the ESOS

The extension of the ESOS to employees of our Group allows us to have a fair and equitable system to reward employees who have made and who continue to make significant contributions to the long-term growth of our Group.

We believe that the ESOS will also enable us to attract, retain and provide incentives to its participants to produce higher standards of performance as well as encourage greater dedication and loyalty by enabling our Company to give recognition to past contributions and services as well as motivating participants generally to contribute towards the long-term growth of our Group.

Waivers

The Company has applied for and the Stock Exchange and SFC have granted a waiver from Chapter 17 of the Listing Rules relating to its ESOS, in its entirety. Please refer to the sections headed "Waivers" in this prospectus for more details.

3. Particulars of the Grantees under the ESOS

A summary of the grantees who have been granted Options and whose Options are outstanding under the ESOS is set out below:

Name	No. of Shares	Description of Shares	Consideration	Exercise Price	Exercise Period	Residential Address
			(S$)	(S$)		
Directors(1)						
Chen Wei Ping	1,500,000	Ordinary Shares	1.00	0.873	From 11 May 2007 to 10 May 2011 (granted 11 May 2006)	2 Marina Boulevard #58-06, The Sail @ Marina Bay, Singapore 018987
Chew Hwa Kwang, Patrick	1,500,000	Ordinary Shares	1.00	0.873	From 11 May 2007 to 10 May 2011 (granted 11 May 2006)	11 Carmen Street, Opera Estate, Singapore 459738

Name	No. of Shares	Description of Shares	Consideration	Exercise Price	Exercise Period	Residential Address
			(S$)	(S$)		
Chew Chin Hua	300,000	Ordinary Shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	2 Countryside Link, Singapore 789926
	250,000	Ordinary Shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	
Chan Soo Sen	300,000	Ordinary Shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	335D Pasir Panjang Road, Singapore 118664
	250,000	Ordinary Shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	
Tong Wei Min Raymond	250,000	Ordinary Shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	475 River Valley Road, #20-01, Valley Park, Singapore 248360
Senior Management						
Wang Jia Xin	300,000	Ordinary shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	Room 1106, B9 Liaohe Peninsula Garden, Group 51-1, Fuzhen Ave, Longshan district, Liaoyuan Jilin Province P.R.China
	800,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	
Tan Kai Teck	350,000	Ordinary shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	27 West Coast Crescent #19-21 Singapore 128048
	350,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	

Name	No. of Shares	Description of Shares	Consideration (S$)	Exercise Price (S$)	Exercise Period	Residential Address
Ma Ming Zhang	250,000	Ordinary shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	No.285 Xicheng Lane Wenqi Ave, Sigeteng Rd Taikang Town, Du Er Bert Mongolian National Minority Autonomous County, Heilongjiang Province P.R.China
	250,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	
Yang Xiao Guang	200,000	Ordinary shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	Room 802, Unit 3 Building 6, Yinghai Building, Oceanwide International Residential Community, No.28 Xinzhuang First Avenue, Chaoyang District Beijing P.R.China
	200,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	
Other Option Holders						
Sun Qi Xiang	250,000	Ordinary shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	Room 403 Unit 2 Building 16, Xin Aolan Building Nanyang Road, Lvyuan District Changchun Jilin Province P.R.China
	500,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	
Guan Zhen Jia	200,000	Ordinary shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	Room 402 Unit 1 Building 9, Chenfeng Shangdong Mingyuan Building, Liaohe Road, Longshan District, Liaoyuan Jilin Province P.R.China
	400,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	

Name	No. of Shares	Description of Shares	Consideration	Exercise Price	Exercise Period	Residential Address
			(S$)	(S$)		
Li Zhen Yu	200,000	Ordinary shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	Room 1003 Unit 2 Building 24, Jisheng Garden, Dongji Road, Liaoyuan Jilin Province P.R.China
	500,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	
Guo Jun	100,000	Ordinary shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	Room 408 Unit 3, Building 1, Group 28-16 Zhongfang, Nankang Ave, Longshan District Liaoyuan Jilin Province P.R.China
	50,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	
Liang Wen Yu	200,000	Ordinary shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	Room 105, Building 17 Vanke Shangdong Residential Building Erdao District, Changchun Jilin Province P.R.China
	200,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	
Xu Hong Hong	200,000	Ordinary shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	Room 502, Unit 4, Building 1, No.22, Zhuyuan Road, Weiqu Chang'an District Xi'an Shaanxi Province, P.R.China
	200,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	
Chan Chee Kin	250,000	Ordinary shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	Blk 117 Bukit Merah Central #17-3757 Singapore 150117
	250,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	

Name	No. of Shares	Description of Shares	Consideration (S$)	Exercise Price (S$)	Exercise Period	Residential Address
Ding Yi	200,000	Ordinary shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	Room 801, Building 16 Vanke City Garden, No. 4369 Ziyou Road Changchun City, Jilin Province P.R.China
	200,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	
Liu Zhong Fu	150,000	Ordinary shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	Room 602 Unit 2 Building 4, Shoushan Garden Group 17-1, Fuzhen Ave, Longshan District Liaoyuan Jilin Province P.R.China
	200,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	
Li Peng Cheng	100,000	Ordinary shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	Room 501 Unit 4 Building 2, Shoushan Garden Group 16-1, Fuzhen Ave, Longshan District Liaoyuan Jilin Province P.R.China
	50,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	
Lin Shu Chun	100,000	Ordinary shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	Room 407 Unit 3 Building 3, Longji Garden Nankang Ave, Longshan District Liaoyuan Jilin Province P.R.China
	50,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	
Wang Li Chen	100,000	Ordinary shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	Room 606 Unit 2 Building 2, Shoushan Garden Group 16-1, Fuzhen Ave, Longshan District Liaoyuan Jilin Province P.R.China
	50,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	

Name	No. of Shares	Description of Shares	Consideration	Exercise Price	Exercise Period	Residential Address
			(S$)	(S$)		
Zhao Ke	100,000	Ordinary shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	Room 502, Unit 1, Building 12, Maotiao New Area, Yuquan West Rd, Qindu District, Xianyang City Shaanxi Province, P.R.China
	100,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	
Liaw Kok Feng	150,000	Ordinary shares	1.00	1.992	From 14 May 2008 to 13 May 2012 (granted on 14 May 2007)	11 Cantonment Close #17-03 Singapore 080011
	150,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	
Sun Li Hua	60,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	Room 709 Unit 3 Building 1, Group 2-3 1996 Zhongfang, Beishou Ave, Longshan District Liaoyuan Jilin Province P.R.China
Zhai Yue Ming	50,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	Room 617 Unit 5, Building 2, Duoshou Garden Group 4-2, Beishou Ave, Longshan District Liaoyuan Jilin Province P.R.China
Zheng Li Sha	50,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	Room 201 Unit 3, Building 3, Shiwei Building, Longshan District Liaoyuan Jilin Province P.R.China
Feng Hai Jun	50,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	Room 502 Unit 4 Building 18, Checheng Garden, Lvyuan District Changchun Jilin Province P.R.China
Zhang He	50,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	Room 604 Unit 2 Building 2, Communist School, Fuzhen Ave, Longshan District Liaoyuan Jilin Province P.R.China

Name	No. of Shares	Description of Shares	Consideration	Exercise Price	Exercise Period	Residential Address
			(S$)	(S$)		
Zhang Hui	40,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	Room 502 Unit 2, Building 9, Section B Fuao Garden, Economic Development Zone Changchun Jilin Province P.R.China
Melisa Wong	50,000	Ordinary shares	1.00	0.517	From 9 February 2010 to 8 February 2014 (granted on 9 February 2009)	Blk 130 Bukit Merah View #04-356 Singapore 150130

Connected Persons/Associates of Directors and Senior Management

None

Note:

(1) As at the Latest Practicable Date, Xu Wei Dong has not been granted any Options under the ESOS.

As at the Latest Practicable Date, our Company had granted Options to Directors, directors of the subsidiaries of our Company, past directors of our Company, senior management personnel and employees of our Group to subscribe for an aggregated 17,900,000 Shares under the ESOS since the commencement of the ESOS. Out of the 17,900,000 Options, 5,300,000 Options have been exercised or cancelled, and 12,600,000 Options are outstanding as at 31 December 2009. Assuming all 12,600,000 Options are exercised as at the Latest Practicable Date, the enlarged total issued share capital would be 976,967,800 Shares. Under the ESOS, the aggregate number of shares over which the Committee may grant Options on any date, when aggregated with the number of shares issued and issuable in respect of all Options granted under the ESOS and any other share option schemes of our Company, shall not exceed 15% of the issued Shares of our Company on the day preceding the date of the relevant grant. Based on the issued share capital of 964,367,800 Shares as at the Latest Practicable Date and taking into account the 12,600,000 outstanding Options, the Company may still issue an aggregate of up to 132,055,170 Shares pursuant to the exercise of Options granted under the ESOS. Assuming all 144,655,170 Shares, representing 15% of the total number of issued shares of the Company as at the Latest Practicable Date, are issued pursuant to the exercise of Options under the ESOS, the enlarged total issued share capital will be 1,109,022,970 Shares. Our Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Chapter 17 of the Listing Rules in its entirety. Our ESOS will not contain all of the provisions required by Chapter 17 of the Listing Rules to be included in such scheme documents.

Application has been made to the Listing Committee for the listing of, and permission to deal in, our Shares (excluding treasury Shares), which may fall to be issued pursuant to the exercise of Options granted under the ESOS, on the Stock Exchange.

F. OTHER INFORMATION

1. Further Information about Our Subsidiaries

The subsidiaries of our Company are referred to in the accountants' report, the text of which is set forth in Appendix I to this prospectus. Below are brief particulars of all of our subsidiaries (which are all wholly-owned by our Company):

NE Industries

Date of incorporation:	23 June 2000
Place of incorporation:	Singapore
Nature:	Limited exempt private company
Authorised number of shares:	N.A.
Paid-up capital:	S$2.00 divided into 2 shares of S$1.00 each
Scope of business:	Investment holding company

Green Oasis

Date of incorporation:	23 June 2000
Place of incorporation:	Singapore
Nature:	Limited exempt private company
Authorised number of shares:	N.A.
Paid-up capital:	S$2.00 divided into 2 shares of S$1.00 each
Scope of business:	Investment holding company

Midas Ventures

Date of incorporation:	3 June 2004
Place of incorporation:	Singapore
Nature:	Limited private company
Authorised number of shares:	N.A.
Paid-up capital:	S$2.00 divided into 2 shares of S$1.00 each
Scope of business:	Trading of aluminium alloy plates and its related products

Jilin Midas

Date of establishment:	12 April 2001
Place of incorporation:	PRC
Nature:	WFOE
Total investment capital:	US$189,720,000
Total registered capital:	US$134,000,000
Scope of business:	Production of model, pipe and bar of aluminium alloy by using new technology and development of relevant new products

Wanshida

Date of establishment:	19 April 2002 (established as a WFOE)
Place of incorporation:	PRC
Nature:	WFOE
Total investment capital:	US$5,000,000
Total registered capital:	US$2,500,000

Scope of business:	Production and Sale of Polyethylene Tubular Product and Pipe Fitting; Instalment and Construction of Polyethylene Pipeline; Sale of Polyethylene Raw Material and Ancillary Valve.

Midas Beijing

Date of establishment:	24 November 2005
Place of incorporation:	PRC
Nature:	WFOE
Total investment capital:	US$4,200,000
Total registered capital:	US$2,100,000
Scope of business:	Wholesale of Ore and Ore Sand of Iron, Copper, Aluminium, Zinc, Nickel, Tin, Ferrous Metals and Nonferrous Metals, Plastic Products and Relevant Chemical Products, Wood Pulp, Paper and Their Products, Mechanical Equipment, Electrical Equipment and Spare Parts, Optical, Inspection and Precision Instrument and Equipment, Electronic Component and Integrated Circuit, Hardware, Domestic Appliance, Automotive Parts and Components; Imports and Exports of Goods; Commission Agency (Except Auction); Other Relevant Ancillary Business (For the commodity governed by quota permit and particular provision, the relevant regulations shall be observed.)

2. Litigation

As at the Latest Practicable Date, we are not aware of any litigation or arbitration proceedings pending or threatened against us or any of our Directors that could have a material adverse effect on our financial condition or results of operation.

3. Preliminary Expenses

Our estimated preliminary expenses are approximately HK$5,810 and have been paid by our Company. The estimated expenses for the Global Offering and the application for listing (excluding treasury Shares) are approximately HK$75.1 million (assuming the Over-allotment Option is not exercised).

4. Estate Duty Indemnities

Our Directors have been advised that no material liability for estate duty would be likely to fall up on any member of the Group in Singapore, Hong Kong, PRC and other jurisdictions in which members of the Group are incorporated.

5. Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Hong Kong Companies Ordinance) who have given their opinions or advice in this prospectus are as follows:

Name	Qualifications
Credit Suisse (Hong Kong) Limited	Licensed to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO
BDO Limited	Certified public accountants (Hong Kong)
BDO LLP	Certified public accountants (Singapore)
CB Richard Ellis Limited	Property valuers
Jingtian & Gongcheng	PRC legal advisers

6. Consents

Each of Credit Suisse (Hong Kong) Limited, BDO Limited, BDO LLP, CB Richard Ellis Limited and Jingtian & Gongcheng, has given and has not withdrawn its respective written consents to the issue of this prospectus with the inclusion of their reports and/or letters and/or valuation certificates and/or the references to their names included herein in the form and context in which they are respectively included.

7. Binding Effect

This prospectus shall have the effect, if an application is made in pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Hong Kong Companies Ordinance so far as applicable.

8. Compliance Adviser

Our Company has appointed Platinum Securities Company Limited as our compliance adviser upon Listing in compliance with Rule 3A.19 of the Listing Rules.

9. Shares will be Eligible for CCASS

We have applied to the Listing Committee for the granting of the listing of, and permission to deal in, our Shares (including the additional Shares which may be issued pursuant to the exercise of the Over-allotment Option and the options to be granted under the ESOS).

All necessary arrangements have been made enabling our Shares to be admitted into the Central Clearing and Settlement System, or CCASS, established and operated by the Hong Kong Securities Clearing Company Limited, or HKSCC.

10. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by Section 4 of the Hong Kong Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice 2001.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were (i) copies of the **WHITE**, **YELLOW** and **GREEN** application forms; (ii) copies of each of the material contracts referred to in "Statutory and General Information – B. Further Information About Our Business – 1. Summary of Material Contracts" in Appendix VI to this prospectus and their certified English translations (where appropriate); and (iii) the written consents referred to in "Statutory and General Information – F. Other Information – 6. Consents" in Appendix VI to this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Shearman & Sterling at 12th Floor, Gloucester Tower, The Landmark, 15 Queen's Road, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this prospectus:

(1) our Memorandum and Articles of Association;

(2) the accountants' report prepared jointly by BDO Limited and BDO LLP, the texts of which are set out in Appendix I to this prospectus;

(3) the audited financial statements of companies comprising our Group for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010, where applicable;

(4) the report in relation to pro forma financial information, the text of which is set out in Appendix II to this prospectus;

(5) the letters, summary of values and valuation certificates relating to our property interests prepared by CB Richard Ellis Limited, the texts of which are set out in Appendix III to this prospectus;

(6) the PRC legal opinion issued by Jingtian & Gongcheng, our legal advisers on PRC law, in respect of, among other things, general matters, property interests and taxation matters of our Group;

(7) the Singapore Companies Act;

(8) the material contracts referred to in the section headed "Statutory and General Information – Summary of material contracts" in Appendix VI to this prospectus;

(9) the written consents referred to in the section headed "Statutory and General Information – Consents" in Appendix VI to this prospectus;

(10) the rules of the ESOS; and

(11) Directors' service contracts.

Midas Holdings Limited

Singapore Registration No. 200009758W