

6. APPROVALS AND CONDITIONS

6.1 CONDITIONS OF APPROVALS

The Public Issue under the terms of this Prospectus was approved by the SC on 14 November 2007 and the MITI on 9 October 2007, subject to the following conditions:

Details of conditions imposed	Status of compliance
SC	
(i) HwangDBS/JF Tech to disclose the following in JF Tech's public issue prospectus:	
(a) The extent and level of the Company's dependence on SRM Integration (M) Sdn Bhd (dependence), in particular SRM Integration (M) Sdn Bhd's (SRM Integration) contribution towards the Company's revenues from financial year ended 30 June 2004 to the latest available audited financial statements;	Complied. Disclosed in Section 3.1 of this Prospectus.
(b) The principal activities of SRM Integration;	Complied. Disclosed in Section 3.1 of this Prospectus.
(c) The risks associated with the dependency and lack of long-term contracts between JF Tech and SRM Integration, mitigating factors taken/to be taken by JF Tech and the impact on the Company's future consolidated financial performance in the event that JF Tech and its subsidiaries fail to secure future orders/secure substantially reduced orders from SRM Integration; and	Complied. Disclosed in Section 3.1 of this Prospectus.
(d) The research and development (R&D) resources utilised/relied on by JF Tech and its proposed subsidiaries to develop its existing range of products and the adequacy of current/planned R&D resources for future product development.	Complied. Disclosed in Section 4.3.6 of this Prospectus.
(ii) JF Tech to meet the 30% Bumiputera equity requirement within 1 year after it has achieved the profit record for companies seeking listing on the Second Board of Bursa Securities or within 5 years after admission to the MESDAQ Market of Bursa Securities, whichever is the earlier, in which the shares to be allocated to Bumiputera investors should be approved by the Ministry of International Trade and Industry;	Noted and to be complied.
(iii) JF Tech to submit a preliminary proposal to SC on how the company proposes to meet the Bumiputera equity condition, 6 months before the expiry date of the compliance;	Noted and to be complied.

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6. APPROVALS AND CONDITIONS (Cont'd)

Details of conditions imposed

Status of compliance

- (iv) Pursuant to paragraph 3.16.1 of the SC's Guidelines for Initial Public Offerings and Listings on the MESDAQ Market (MMLR) which requires that shares held by promoters amounting to 45% of the applicants issued and paid-up share capital at admission be placed under moratorium, the moratorium on the shareholdings of JF Tech's promoters is as follows:

To be complied. Further details of the moratorium on the shareholdings of our promoters are disclosed in Section 6.2 of this prospectus.

Promoters	JF Tech shares under moratorium	
	No. of shares	% of enlarged issued and paid-up share capital of JF Tech*
Foong Wei Kuong	46,872,000	37.2
Wang Mei Ling	9,828,000	7.8
Total	56,700,000	45.0

* Based on the enlarged issued and paid-up share capital of 126,000,000 JF Tech shares upon admission to the MESDAQ Market.

- (v) Approvals to be obtained from other relevant authorities, if any; and Complied.
- (vi) HwangDBS/JF Tech to inform SC upon the completion of the proposed flotation scheme. Noted and to be complied.

MITI

- (i) JF Tech is to meet the thirty percent (30%) Bumiputera equity requirement within five (5) years after being listed on the MESDAQ Market or within one (1) year after the Company has achieved the profit track record requirement for companies seeking listing on the Second Board of Bursa Securities, whichever is the earlier; Noted and to be complied.
- (ii) Allocation of the Bumiputera shares highlighted under condition (i) above is subject to the approval of MITI; and Noted and to be complied.
- (iii) JF Tech is to obtain the SC's approval on the Listing Scheme and comply with the guidelines for acquisitions, mergers and take-overs. Complied. SC's approval was obtained on 14 November 2007.

Bursa Securities had also, vide its letter dated 13 February 2008, granted its approval in-principle for our Listing.

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6. APPROVALS AND CONDITIONS *(Cont'd)*

6.2 MORATORIUM ON THE SALE OF SHARES

Pursuant to the MMLR, Shares held by our promoters amounting to 45% of our nominal issued and paid-up share capital at the date of admission of our Company to the Official List of the MESDAQ Market of Bursa Securities are to be placed under moratorium. In this respect, our promoters whose shares are subject to moratorium are set out below:

Promoters	Shareholdings after IPO		Shareholdings under moratorium	
	No. of Shares held	% held	No. of Shares held	% held
Foong Wei Kuong	62,726,294	49.8	46,872,000	37.2
Wang Mei Ling	13,455,387	10.7	9,828,000	7.8
Total	76,181,681	60.5	56,700,000	45.0

Our promoters have fully accepted the moratorium. They will not be permitted to sell, transfer or assign any part of their respective interest in the Shares under moratorium within one (1) year from the date of our admission to the Official List of the MESDAQ Market of Bursa Securities. Thereafter, they are permitted to sell, transfer or assign up to a maximum of one-third per annum on a straight line basis of their respective shareholdings in JF Tech which is under moratorium. The moratorium period shall expire three (3) years from the date of our admission to the Official List of the MESDAQ Market.

The restriction is specifically endorsed on the notices of allotment representing the respective shareholding of our promoters which are under moratorium to ensure that our Registrar does not register any transfer contravening the above moratorium restrictions.

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7. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS

7.1 INTEREST IN SIMILAR BUSINESS

As at the Latest Practicable Date, none of our Directors or substantial shareholders has any interest, direct or indirect, in any business or corporations carrying on a similar trade as our Company or our subsidiaries.

7.2 RELATED PARTY TRANSACTIONS

Save as disclosed below and transactions pursuant to the restructuring and listing exercise as disclosed in Sections 4.2 and 7.3.2 of this Prospectus, for the past three (3) financial years ended 30 June 2007, four (4)-month financial period ended 31 October 2007 and the subsequent financial period thereof immediately preceding the date of this Prospectus, there were/are no existing and/or proposed related party transactions and/or conflict of interests between our Group and our Directors, key management, technical personnel, substantial shareholders and/or persons connected with such a Director, key management, technical personnel or substantial shareholders, as defined under Section 122A of the Act:

- (i) Amtech Electronics, a partnership by Goh Kok Sing, a director of JF Tech and his wife, had provided soldering services of test probes to J Foong from September 2005 until February 2006, which amounted to approximately RM9,000. The aforesaid business transaction has since ceased and is not intended to continue thereafter. Subsequently on 16 November 2006, the partnership was dissolved;
- (ii) AMT Electronics Sdn Bhd, a 70% owned company of Goh Kok Sing, a director of JF Tech, had provided soldering services of test probes to J Foong from March 2006 until September 2006, which amounted to approximately RM12,000. The aforesaid business transaction has since ceased and is not intended to continue thereafter;
- (iii) J Foong, a wholly-owned subsidiary of JF Tech, has from July 2004 rented Unit 5-4, Block E2, Jalan PJU1/42A, Dataran Prima, 47301 Petaling Jaya, Selangor, which is currently used as their headquarters, from Foong Wei Kuong and Wang Mei Ling, directors and substantial shareholders of J Foong and directors and substantial shareholders of JF Tech, for a monthly rental of RM2,700. The tenancy ceased on 18 January 2008, being the completion date of the acquisition by JF Tech of the aforementioned property pursuant to the Listing Scheme; and
- (iv) J Foong has from July 2006 rented No. 1002, Block A, Tiara Kelana Condominium, No. 1 Jalan SS7/19, Taman Sri Kelana, Kelana Jaya, 47301 Petaling Jaya, Selangor, which is currently used as the residence of their employee Mah Ying Hoe, from Foong Wei Kuong and Wang Mei Ling, directors and substantial shareholders of J Foong and directors and substantial shareholders of JF Tech, for a monthly rental of RM2,700. The tenancy ceased on 18 January 2008, being the completion date of the acquisition by JF Tech of the aforementioned property pursuant to the Listing Scheme.

7.3 OTHER TRANSACTIONS

For the past three (3) financial years ended 30 June 2007, four (4)-month financial period ended 31 October 2007 and the subsequent financial period immediately preceding the date of this Prospectus:

- 7.3.1** There were/are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party.
- 7.3.2** Save as disclosed below, there were/are no outstanding loans (including guarantees of any kind) made by our Group to//for the benefit of related parties.

7. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

- (i) JF Micro, a wholly-owned subsidiary of JF Tech, had on 18 March 2006 advanced a sum of RM200,000 to Foong Wei Kuong and Wang Mei Ling, directors of J Foong and directors and substantial shareholders of JF Tech for personal expenses. No interest was charged for the advance. The amount has since been repaid by Foong Wei Kuong and Wang Mei Ling on 2 November 2006; and
- (ii) J Foong has during the past one (1) financial year ended 30 June 2006 paid certain amounts owing by Foong Wei Kuong, a Director of J Foong on his behalf in order to set-off the amounts owing by J Foong to Foong Wei Kuong. No interest was charged for the advance. As at 27 June 2006, no further amounts remain outstanding by J Foong to Foong Wei Kuong and vice versa.

7.3.3 Save for the transactions pursuant to the restructuring and listing exercise as disclosed in Sections 4.2 and 7.2 of this Prospectus, none of our Directors or substantial shareholders has any interest, direct or indirect, in the promotion of or in any material assets acquired or proposed to be acquired or disposed or proposed to be disposed or leased or proposed to be leased by our Group.

7.4 INTEREST IN CONTRACTS AND ARRANGEMENTS

There are no contracts or arrangements subsisting at the date of this Prospectus in which any of our Directors or substantial shareholders of our Company is interested and which is significant in relation to the business of our Company or our Group taken as a whole.

7.5 DECLARATION BY EXPERTS

HwangDBS, being our Adviser, Underwriter, Placement Agent and Sponsor, confirms that there is no existing or potential conflict of interest in its advisory capacity to our Group.

Wong Beh & Toh confirms that there is no existing or potential conflict of interest in its capacity as the due diligence Solicitors to the our Group in respect of the IPO.

BDO Binder confirms that there is no existing or potential conflict of interest in its capacity as the Reporting Accountants and Auditors to our Group in respect of the IPO.

D&B confirms that there is no existing or potential conflict of interest in its capacity as the Independent Market Researcher to our Group in respect of the IPO.

Colliers Jordan Lee & Jaafar Sdn Bhd confirms that there is no existing or potential conflict of interest in its capacity as the Valuers to our Group in respect of the IPO.

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8. FINANCIAL INFORMATION

8.1 HISTORICAL FINANCIAL INFORMATION

8.1.1 Proforma consolidated income statements

You should read the summary of our proforma financial data regarding our business for the past three (3) financial years ended 30 June 2007, four (4)-month financial period ended 31 October 2007 and the corresponding period ended 31 October 2006 that we have presented below together with Section 8.7 of this Prospectus. Our financial data summary is provided for illustrative purposes on the assumption that the existing group structure of JF Tech had been in existence throughout the financial years/periods under review.

	Financial year ended 30 June 2005 RM'000	Financial year ended 30 June 2006 RM'000	Financial year ended 30 June 2007 RM'000	Four (4)- month financial period ended 31 October 2006 (unaudited) RM'000	Four (4)- month financial period ended 31 October 2007 RM'000
Revenue	2,663	4,956	7,794	2,261	3,403
Gross profit	1,887	3,834	5,505	1,548	2,603
EBITDA	1,005	3,006	4,261	1,248	2,051
Interest income	-	-	17	-	11
Depreciation	(116)	(134)	(203)	(66)	(70)
Amortisation	-	-	(8)	(1)	(7)
Interest expense	(37)	(54)	(91)	(22)	(69)
PBT	852	2,818	3,976	1,159	1,916
Taxation	(235)	(565)	(165)	(17)	(24)
PAT	617	2,253	3,811	1,142	1,892
No. of our Shares assumed in issue ('000)	126,000	126,000	126,000	126,000	126,000
Gross profit margin (%)	70.86	77.36	70.63	68.46	76.49
Net profit margin (%)	23.17	45.46	48.90	50.51	55.60
Gross EPS (sen)	0.68	2.24	3.15	0.92	1.52
Net EPS (sen)	0.49	1.79	3.02	0.91	1.50

Notes:

- (i) The proforma consolidated income statements of our Group for the three (3) financial years ended 30 June 2007 and four (4)-month financial period ended 31 October 2007 have been prepared for illustrative purposes only and are based on the audited financial statements of JF Tech, J Foong and JF Micro after making such adjustments considered necessary assuming that our Group had been in existence throughout the financial years/period under review. The proforma consolidated income statements of our Group for the four (4)-month financial period ended 31 October 2006 have not been audited and have been prepared based on management accounts.
- (ii) The proforma consolidated income statements of our Group have been prepared on a basis consistent with those bases and accounting policies adopted by us and accounting policies previously adopted and disclosed in the audited financial statements of our subsidiary companies for the financial period ended 31 October 2007.
- (iii) There were no share of profits of associated company, joint ventures, exceptional items, extraordinary items and minority interests during the financial years/period under review.
- (iv) The gross profit margin is computed by dividing the gross profit by revenue earned in the respective financial years/period.
- (v) The net profit margin is computed by dividing the PAT by revenue earned in the respective financial years/period.
- (vi) Tax expense has been adjusted for any under or over provision of taxation in the respective financial years/period, where relevant.
- (vii) The proforma gross EPS is computed by dividing the PBT by the number of ordinary shares assumed in issue of 126,000,000 ordinary shares of RM0.10 each in our Company immediately after the Public Issue.
- (viii) The proforma net EPS is computed by dividing the PAT by the number of ordinary shares assumed in issue of 126,000,000 ordinary shares of RM0.10 each in our Company immediately after the Public Issue.

8. FINANCIAL INFORMATION (Cont'd)

- (ix) All significant inter-company transactions are eliminated on consolidation and the consolidated results reflect external transactions only.
- (x) The proforma consolidated income statements have been prepared based on the audited income statement, after making such reclassifications as the management considered appropriate, for the relevant financial years to reflect fairly on the presentation of trading accounts to manufacturing accounts that the assembly and production activities had taken place since 2004. Accordingly, the effect of the change in presentation has resulted in adjustment to the cost of sales with the corresponding adjustments to administration expenses in financial years ended 30 June 2005 and 30 June 2006, as disclosed below.

Financial year ended 30 June	As previously stated RM'000	Reclassification RM'000	As restated RM'000
2005			
Cost of sales	720	56	776
Administration expenses	1,054	(56)	998
2006			
Cost of sales	696	233	929
Administration expenses	1,215	(233)	982

8.1.2 Proforma consolidated cash flow statements

The proforma consolidated cash flow statements of our Group for the four (4)-month financial period ended 31 October 2007 and the corresponding four (4)-month financial period ended 31 October 2006 have been prepared for illustrative purposes only to reflect what the cash flows of our Group would have been if our Group had been in existence during that period. The proforma consolidated cash flow statements below should be read in conjunction with the accompanying notes and assumptions included in Section 8.7 of this Prospectus.

	Four (4)- month financial period ended 31 October 2006 (unaudited) RM'000	Four (4)-month financial period ended 31 October 2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,159	1,916
Adjustments for:		
Depreciation of property, plant and equipment	103	112
Amortisation of prepaid land lease payments	-	4
Amortisation of product development cost	-	3
Interest expense	22	69
Interest income	-	(11)
Operating profit before working capital changes	1,284	2,093
Increase in inventories	(56)	(41)
Increase in trade receivables	(609)	(818)
(Increase)/Decrease in other receivables, deposits and prepayments	(178)	800
Increase in trade payables	130	11
(Decrease)/Increase in other payables and accruals	(28)	152
Cash generated from operations	543	2,197
Tax paid	(169)	(30)
Net cash from operating activities	374	2,167
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(202)	(4,983)
Purchase of leasehold land	-	(4,473)
Product development costs incurred	(91)	(127)
Interest received	-	11
Net cash used in investing activities	(293)	(9,572)

8. FINANCIAL INFORMATION (Cont'd)

	Four (4)- month financial period ended 31 October 2006 (unaudited) RM'000	Four (4)-month financial period ended 31 October 2007 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(22)	(69)
Drawn down from term loan	-	3,400
Repayment of term loan	(10)	(3,559)
Repayment of hire-purchase and lease liabilities	(78)	(127)
Proceeds from Public Issue	-	13,917
Listing expenses	-	(1,450)
Net cash (used in)/from financing activities	(110)	12,112
Net (decrease)/increase in cash and bank balances	(29)	4,707
Cash and bank balances at beginning of financial period	863	1,999
Cash and bank balances at end of financial period	834	6,706

8.2 OPERATING AND FINANCIAL REVIEW

8.2.1 Segmental analysis

The following is a segmental analysis of our revenue and PBT by company and product assuming that our Group had been in existence throughout the past three (3) financial years ended 30 June 2007, four (4)-month financial period ended 31 October 2007 and the corresponding four (4)-month financial period ended 31 October 2006:

Analysis of revenue and PBT by company

	Financial year ended 30 June 2005 RM'000	Financial year ended 30 June 2006 RM'000	Financial year ended 30 June 2007 RM'000	Four (4)- month financial period ended 31 October 2006 (unaudited) RM'000	Four (4)- month financial period ended 31 October 2007 RM'000
Revenue					
JF Tech	-	-	-	-	-
J Foong	2,663	3,913	2,065	529	784
JF Micro	-	1,043	5,729	1,732	2,619
Total revenue	2,663	4,956	7,794	2,261	3,403

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8. FINANCIAL INFORMATION (Cont'd)

	Financial year ended 30 June 2005	Financial year ended 30 June 2006	Financial year ended 30 June 2007	Four (4)-month financial period ended 31 October 2006 (unaudited)	Four (4)-month financial period ended 31 October 2007
	RM'000	RM'000	RM'000	RM'000	RM'000
PBT					
JF Tech	-	-	(17)	-	(1)
J Foong	852	1,992	449	16	46
JF Micro	-	826	3,510	1,143	1,871
	852	2,818	3,942	1,159	1,916
Add: Consolidation adjustments	-	-	34	-	-
Total PBT	852	2,818	3,976	1,159	1,916

Analysis of revenue by product

	Financial year ended 30 June 2005	Financial year ended 30 June 2006	Financial year ended 30 June 2007	Four (4)-month financial period ended 31 October 2006 (unaudited)	Four (4)-month financial period ended 31 October 2007
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
G1/G2 Kelvin pins	1,644	3,439	4,920	1,400	2,484
TESEC (G10) test probes	369	313	40	4	6
SC70/SOT	128	169	337	93	139
MH test probes	38	113	267	114	157
Single pins	322	396	362	134	76
Tungsten test probes	134	361	817	219	381
Moulded test probes	-	-	424	178	37
Lasak™ pins	-	-	188	-	75
Others	28	165	439	119	48
Total revenue	2,663	4,956	7,794	2,261	3,403

Segmental analysis for revenue and PBT by geographical location is not available due to majority portion of our transactions is local transactions. In addition, segmental analysis for PBT by products is not available as the breakdown of PBT by products is not readily available due to sharing of common costs such as operating overheads and administrative and selling expenses which cannot be directly attributable to a particular product.

8.2.2 Commentary on the historical financial performance of our Group

Financial year ended 30 June 2005

Revenue improved to RM2.66 million from RM1.84 million in previous financial year, representing an increase of 44.65%. The increase was mainly contributed by the sales of G1 Kelvin pins and tungsten pins, a newly introduced product in the financial year. This is a direct result by the surge in demand for portable devices, gathered with the introduction of PDA leading to an emerging demand for IC chips.

8. FINANCIAL INFORMATION (Cont'd)

We continued to achieve a significant growth in our PBT, which was approximately 101.90% to RM0.85 million from RM0.42 million recorded in previous financial year. We achieved a slightly higher PBT margin of 31.99% as compared to previous financial year of 22.92%. The increment was mainly due to higher gross profit generated and relatively fixed nature of administrative and general expenses.

Financial year ended 30 June 2006

Our revenue improved considerably to RM4.96 million, representing a significant increase of 86.11%. This was mainly due to increased sales to existing customers as a direct result of their greater acceptance of our products' quality and services. Meanwhile, revenue growth was also fuelled by establishment of manufacturing operation in Malaysia by one of our Group's major customers, which further increased their orders from our Group. Sales of G1/G2 Kelvin pins was the major contributor to our total revenue, which was approximately 69.43% of our total revenue.

Our PBT increased two-fold to RM2.82 million or an increase of 230.75% as compared to previous financial year. The tremendous increment was in line with significant improvement in gross profit margin, coupled with economies of scale as a result of spreading fixed costs over a larger manufacturing volume.

Financial year ended 30 June 2007

Our revenue for the year continued its upward trend, increasing by 57.26% as compared to the previous year to RM7.79 million. The continuing market growth of our main products, the G1/G2 Kelvin pins, the moulded pins and the tungsten pins testifies to the market acceptance of our company's policy to focus on product quality and services.

Our PBT also increased in line with the sales growth to RM3.98 million, representing an increase of 41.09% from the previous year. The proliferation of our high-value product lines highlighted in the preceding paragraph were the main contributors to the increased PBT.

Four (4)-month financial period ended 31 October 2007

For the four (4)-month financial period ended 31 October 2007, our Group recorded revenue of RM3.40 million. The major contributors for the revenue are from the sales of G2 Kelvin pins and tungsten pins.

For the four (4)-month financial period ended 31 October 2007, our Group recorded PBT of RM1.92 million.

8.2.3 Trade receivables and ageing

Based on our audited financial statements for the four (4)-month financial period ended 31 October 2007, our ageing analysis of the trade receivables is as follows:

	0-30 days RM'000	31-60 days RM'000	61-90 days RM'000	91-120 days RM'000	Over 120 days RM'000	Total RM'000
Trade receivables	967	842	849	70	53	2,781
Less: Allowance for doubtful debts	-	-	-	-	-	-
Net trade receivables	967	842	849	70	53	2,781
% of net trade receivables	34.77	30.28	30.53	2.52	1.90	100.00

Our normal credit term ranges from 30 to 90 days. Other credit terms are assessed and negotiated on a case-by-case basis. As at 31 October 2007, our Group has outstanding trade receivables amounting to

8. FINANCIAL INFORMATION (Cont'd)

approximately RM2.78 million, representing an overall debtors' turnover period of approximately 99 days, which was slightly higher than our Group's normal credit period of 90 days. This was mainly due to longer collection periods for certain major customers.

As at Latest Practicable Date, the above balances which exceeded the credit terms amounting to RM0.12 million has been collected. No allowance for doubtful debts has been made for the overdue receivables as we are confident that the amounts are collectible.

8.2.4 Impact of foreign exchange and interest rates on operating profits

Our Group's sales and purchases are mainly local transactions and denominated in RM. Hence, the impact of fluctuation in foreign exchange is minimal.

As at the Latest Practicable Date, the total borrowings of our Group amounted to approximately RM5.01 million comprising term loan and hire purchase, all of which are local borrowings and interest-bearing, as detailed in Section 8.4.2 of this Prospectus.

Our Group's operating profits will be jeopardised by any increase in interest rates, especially with respect to interest payments. To mitigate the risks, our Group will make timely repayment of borrowings and adopt cautious financial management in obtaining additional financing via borrowings.

8.2.5 Tax considerations

The effective tax rates of 27.58%, 20.05%, 4.15% and 1.25% for the past three (3) financial years ended 30 June 2007 and four (4)-month financial period ended 31 October 2007 respectively were lower than the statutory tax rate. These were mainly due to the reduction in statutory tax rate on the first chargeable income up to RM500,000 and JF Micro has been granted pioneer status under the Promotion of Investments Act, 1986, for which 100% of its statutory income from pioneer activities is tax exempt for a period of five (5) years from 1 April 2006 to 31 March 2011.

8.2.6 Exceptional and extraordinary items

There were no exceptional or extraordinary items during the past three (3) financial years ended 30 June 2007 and four (4)-month financial period ended 31 October 2007.

8.2.7 Financial instruments for hedging

As at the Latest Practicable Date, our Group does not have any financial instruments for hedging.

8.3 FACTORS AFFECTING FINANCIAL PERFORMANCE, POSITION AND OPERATIONS OF OUR GROUP

Save as disclosed in Sections 3, 8.2, 8.4 and 8.6 of this Prospectus, our financial performance, position and operations are not materially affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had, will result in or are reasonably likely to have a material favourable or unfavourable impact on our financial performance, position and operations;
- (ii) material commitments for capital expenditure;
- (iii) unusual or infrequent events or transactions or any significant economic changes that materially affected our financial performance, position and operations;
- (iv) substantial increase in revenue; and

8. FINANCIAL INFORMATION (Cont'd)

- (v) known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical statements not indicative of future financial performance and position.

8.4 WORKING CAPITAL, BORROWINGS, LITIGATION, CONTINGENT LIABILITIES AND MATERIAL CAPITAL COMMITMENTS

8.4.1 Working capital

Our Board is of the opinion that barring any unforeseen circumstances and after taking into account the cashflow position including the net proceeds from the Public Issue and the banking facilities available, we have adequate working capital for our present and foreseeable requirements over a period of twelve (12) months from the date of this Prospectus.

8.4.2 Borrowings

As at the Latest Practicable Date, the total borrowings of our Group amounted to approximately RM5.01 million, representing a gearing ratio of 0.22 times over our Group's proforma shareholders' fund. These borrowings were utilised mainly for the acquisition of the office building and motor vehicles.

The following sets out our Group's total outstanding borrowings (all of which are local borrowings and interest bearing) as at the Latest Practicable Date:-

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total RM'000
Term loan	299	3,570	3,869
Hire purchase payable	492	647	1,139
Total	791	4,217	5,008

Our Board is of the opinion that, there are no unusual or onerous covenants in nature imposed under the borrowing facilities against us.

Our Group has not defaulted on payments of interests and/or principal sums in respect of any borrowings throughout the past one (1) financial year and the financial period since then until the Latest Practicable Date.

8.4.3 Material litigation

Neither our Company nor our subsidiaries are involved in any litigation, either as plaintiff or defendant, which has a material effect on our financial position or business or our subsidiaries and our Directors have no knowledge of any proceedings pending or threatened against us and our subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect our financial position or business.

8.4.4 Contingent liabilities

As at the Latest Practicable Date, our Directors do not know of any material contingent liabilities incurred by our Group that is likely to have a material adverse effect on our financial performance or position upon becoming enforceable.

8. FINANCIAL INFORMATION *(Cont'd)*

8.4.5 Material capital commitments

Save as disclosed below, as at the Latest Practicable Date, our Directors do not know of any material capital commitments incurred by our Group that is likely to have a material adverse effect on our financial position.

	Total RM'000	Purpose
Approved and contracted for - Architect fee	299	For construction of factory

The material commitments are anticipated to be funded by a combination of internally generated funds, bank borrowings and proceeds to be raised from the Public Issue.

8.5 TREND INFORMATION

8.5.1 Business and financial prospects

The fast pace of technological developments and the increasingly extensive applications of electronics in the world today will provide tremendous opportunities for the electronics industry to develop further. It was once predicted that the electronics industry would grow larger than the automobile, steel and aerospace industries combined. The industry itself is moving very fast, generating a constant stream of new and more complex devices.

The global shift towards more expensive applications of electronics is anticipated to continue unabated across all industries and services, especially with new developments in information and communications technologies. As a result, the electronics industry will continue to be the main industry for industrial growth and innovation during the 9MP. The electronics industry is expected to account for 29.4% of the manufacturing sector in 2010, up from 28.0% in 2005. Concomitantly, the electronics industry as a whole is anticipated to expand a CAGR of 7.7% under the 9MP, while the semiconductor industry is projected to grow at a CAGR of 6.5%.

(Source: Independent Market Research Report by D&B)

In view of the above and our Group's commitment to the improvement of test probing technology, we believe that the business and financial prospects of our Group for the foreseeable future are optimistic.

8.5.2 Production and revenue

As detailed in Section 8.2.1 of this Prospectus, our production and hence revenue was mainly contributed by the sales of G2 Kelvin pins, which has shown an increasing trend over the past three (3) financial years ended 30 June 2007 and four (4)-month financial period ended 31 October 2007 under review.

Moving forward, we will continue to embark on extensive R&D to diversify our products range and hence capture a wider customer base.

8.5.3 Inventory

Our Group holds minimal inventories as our products are produced upon securing orders from customers.

8.5.4 Cost and selling prices

Our gross profit margin is more than 70% for the financial years/period under review (except for the four (4)-month financial period ended 31 October 2006 of 68.46%).

8. FINANCIAL INFORMATION *(Cont'd)*

Based on our Directors' experience, our Directors do not expect significant fluctuation in the pricing of our products and costs of production, including cost of raw materials, direct labour and factory overheads.

8.5.5 State of order book

Other than the Product Supply Agreement dated 3 January 2007 as detailed in Section 15.6 of this Prospectus, which is entered into between JF Micro and SRM, we do not have any long-term agreements with other customers. The absence of long-term contractual agreements is an industrial norm.

Despite the above, our Group has earned the confidence of our customers due to our commitment towards high quality products. We have maintained long term relationships with most of our customers as evidenced by the significant growth in our revenue throughout the financial years under review. We believe that our Group will continue to have the support of our major customers in the future.

8.6 LIQUIDITY AND CAPITAL RESOURCES

Our Group's main sources of liquidity consists of a combination of internal source of funds derived mainly from cash generated from operations as well as external sources of funds comprising mainly borrowings from financial institutions and capital contribution by shareholders.

As at 31 October 2007, our Group has proforma consolidated cash and cash equivalents of approximately RM6.71 million. The condensed summary of our Group's proforma consolidated cash flow statement for the four (4)-month financial period ended 31 October 2007, which should be read in conjunction with Section 8.7 of this Prospectus:

	Four (4)-month financial period ended 31 October 2007
	RM'000
Net cash from operating activities	2,167
Net cash used in investing activities	(9,572)
Net cash from financing activities	12,112
Net increase in cash and cash equivalents	<u>4,707</u>
Cash and cash equivalents brought forward	1,999
Cash and cash equivalents carried forward	<u><u>6,706</u></u>

Net cash used in investing activities in four (4)-month financial period ended 31 October 2007 was mainly for the acquisition of additional machinery and equipment amounting to approximately RM4.98 million and for the purchase of leasehold land amounting to approximately RM4.47 million.

Net cash generated from financing activities mainly as a result of proceeds from the issuance of JF Tech Shares under Public Issue.

As at the Latest Practicable Date, the total borrowings of our Group amounted to approximately RM5.01 million comprising term loan and hire purchase, all of which are local borrowings and interest-bearing, as detailed in Section 8.4.2 of this Prospectus.

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8. FINANCIAL INFORMATION (Cont'd)

8.7 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION (Prepared for inclusion in the Prospectus)

BDO Binder (AF 0206)
Chartered Accountants

12th Floor Menara Uni.Asia
1008 Jalan Sultan Ismail
50250 Kuala Lumpur Malaysia
Telephone : (603) 2616 2888
Telefax : (603) 2616 3190, 2616 3191
Website : www.bdobinder.com

26 February 2008

The Board of Directors
JF Technology Berhad
Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Dear Sirs

**JF TECHNOLOGY BERHAD ("JF Tech" or "the Company")
PROFORMA CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE (3) FINANCIAL YEARS ENDED 30 JUNE 2007 AND FOUR (4)-
MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2007**

We report on the proforma consolidated financial information of JF Tech and its subsidiary companies comprising J Foong Technologies Sdn Bhd ("J Foong") and JF Microtechnology Sdn Bhd ("JF Micro") ("collectively referred as "JF Tech Group" or "the Group") for the three (3) financial years ended 30 June 2007 and four (4)-months financial period ended 31 October 2007, together with the accompanying notes thereto (stamped by us for the purpose of identification only), which are prepared by the Directors of JF Tech for illustrative purposes only. The proforma consolidated financial information is prepared based on the audited financial statements of JF Tech, J Foong and JF Micro, after making certain assumptions and such adjustments to show the effects of the transactions described in the listing scheme, and consist of the following:-

- (a) the proforma consolidated financial results of JF Tech Group for the three (3) financial years ended 30 June 2007 and four (4)-months financial period ended 31 October 2007;
- (b) the proforma consolidated financial position of JF Tech Group as at 31 October 2007; and
- (c) the proforma consolidated cash flows of JF Tech Group for the financial period ended 31 October 2007.

8. FINANCIAL INFORMATION (Cont'd)

JF Technology Berhad (Company No. 747681-H)
Proforma Consolidated Financial Information



The listing scheme involves the following transactions as an integral part of the listing and quotation of the entire issued and paid-up share capital of JF Tech on the MESDAQ Market of Bursa Malaysia Securities Berhad:-

- (a) share split involving the subdivision of one (1) ordinary share of RM1.00 each in JF Tech into ten (10) ordinary shares of RM0.10 each in JF Tech ("JF Tech Shares");
- (b) acquisition of 100,000 ordinary shares in J Foong representing the entire equity interest in J Foong for a purchase consideration of RM3,017,998 to be fully satisfied by the issuance of 30,179,980 new JF Tech Shares at an issue price of RM0.10 per JF Tech Share;
- (c) acquisition of 200,000 ordinary shares in JF Micro representing the entire equity interest in JF Micro for a purchase consideration of RM5,482,800 to be fully satisfied by the issuance of 54,828,000 new JF Tech Shares at an issue price of RM0.10 per JF Tech Share;
- (d) acquisition of the Properties for a purchase consideration of RM620,000 to be fully satisfied by the issuance of 6,200,000 new JF Tech Shares at an issue price of RM0.10 per JF Tech Share;
- (e) public issue of 34,792,000 new JF Tech shares of RM0.10 each at an issue price of RM0.40 each, to be issued in the following manner:-
 - (i) 5,000,000 new JF Tech Shares will be reserved for application by Malaysian citizens, companies, co-operatives, societies and institutions;
 - (ii) 4,000,000 new JF Tech Shares will be reserved for eligible employees, Directors and business associates of JF Tech Group; and
 - (iii) 25,792,000 new JF Tech Shares will be placed to investors by the placement agent(s) through a private placement exercise.

Admission to the official list of the MESDAQ Market and listing of and quotation for the entire enlarged issued and paid-up share capital of RM12,600,000 comprising 126,000,000 ordinary shares of RM0.10 each on the MESDAQ Market.

Except for the Public Issue in item (e) above, all of the above transactions have been completed as at the date of this report.

8. FINANCIAL INFORMATION (Cont'd)

JF Technology Berhad (Company No. 747681-H)
Proforma Consolidated Financial Information



The proforma consolidated financial information has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of JF Tech Group's actual financial results, financial position and cashflows.

The proforma consolidated financial information is the sole responsibility of the Directors of JF Tech which has been prepared for inclusion in the Prospectus of JF Tech to be dated 27 March 2008 in connection with the proposed listing of and quotation for the entire issued and paid-up share capital of JF Tech on the MESDAQ Market of Bursa Malaysia Securities Berhad. Our responsibility is merely to express an opinion on the proforma consolidated financial information based on our work.

Our work consisted primarily of comparing the unadjusted financial information presented with their original form, considering the adjustments and discussing the proforma consolidated financial information with management of JF Tech Group. Our work involves no independent examination of any of the underlying financial information other than our audit of the financial statements of JF Tech for the financial period since the date of incorporation on 18 September 2006 to 30 June 2007 and the four (4)-months financial period ended 31 October 2007, the financial statements of J Foong for the past two (2) financial years ended 30 June 2007 and four (4)-months financial period ended 31 October 2007 and the financial statements of JF Micro for the past financial period from 14 December 2005 (date of incorporation) to 30 June 2006, financial year ended 30 June 2007 and four (4)-months financial period ended 31 October 2007, on which we reported to the members of the respective companies, as of the date of our audit report. The financial statements of J Foong for the financial year ended 30 June 2005 was audited by a firm of chartered accountants, Messrs S.P.Lee & Co.

Our work has not been carried out in accordance with applicable Approved Standards on Auditing in Malaysia and accordingly should not be relied upon as if it has been carried out in accordance with those standards.

In our opinion:-

- (i) the proforma consolidated financial information of JF Tech Group, which is prepared for illustrative purposes only, has been properly compiled on the bases set out in the notes thereon, and such bases are consistent with the accounting policies adopted by JF Tech and accounting policies previously adopted and disclosed in the audited financial statements of its subsidiary companies for the financial period ended 31 October 2007;
- (ii) the financial statements used in the preparation of the proforma consolidated financial information have been prepared in accordance with applicable approved Financial Reporting Standards in Malaysia; and
- (iii) the material adjustments made to the proforma consolidated financial information are appropriate for the purposes of the preparation of the proforma consolidated financial information.

8. FINANCIAL INFORMATION (Cont'd)

*JF Technology Berhad (Company No. 747681-H)
Proforma Consolidated Financial Information*



This letter has been prepared solely for the purpose stated above, in connection with the listing of and quotation for the entire issued and paid-up share capital of JF Tech on the MESDAQ Market of Bursa Malaysia Securities Berhad. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

A handwritten signature in black ink that reads 'BDO Binder'.

BDO Binder

(AF : 0206)

Chartered Accountants

A handwritten signature in black ink that reads 'Tan Lye Chong'.

Tan Lye Chong

1972/08/09 (J)

Partner

8. FINANCIAL INFORMATION (Cont'd)

*JF Technology Berhad (Company No.747681-H)
Proforma Consolidated Financial Information*

PROFORMA CONSOLIDATED FINANCIAL INFORMATION**1. PROFORMA GROUP AND BASIS OF PREPARATION****1.1 Proforma Group**

The proforma consolidated financial information of JF Tech and its subsidiary companies comprising J Foong Technologies Sdn Bhd ("J Foong") and JF Microtechnology Sdn Bhd ("JF Micro") ("collectively referred as "JF Tech Group" or "the Group") is presented for illustrative purposes only and are based on the audited financial statements of JF Technology Berhad ("JF Tech") for the past financial period from 18 September 2006 (date of incorporation) to 30 June 2007 and four (4)-months financial period ended 31 October 2007, the audited financial statements of J Foong Technologies Sdn Bhd ("J Foong") for the past three (3) financial years ended 30 June 2007 and four (4)-months financial period ended 31 October 2007 and the audited financial statements of JF Microtechnology Sdn Bhd ("JF Micro") for the past financial period from 14 December 2005 (date of incorporation) to 30 June 2006, financial year ended 30 June 2007 and four (4)-months financial period ended 31 October 2007, on the assumption that JF Tech Group had been in existence throughout the financial years/period under review.

The proforma consolidated financial information is prepared by and at the sole responsibility of the Directors of JF Tech, and may not, because of its nature, give a true picture of the actual financial position, financial results and cash flows of the JF Tech Group.

The proforma consolidated financial information comprises the following:-

- Section 2 - Proforma Consolidated Income Statements for the three (3) financial years ended 30 June 2007 and four (4)-months financial period ended 31 October 2007 and the corresponding financial period ended 31 October 2006
- Section 3 - Proforma Consolidated Balance Sheets as at 31 October 2007
- Section 4 - Proforma Consolidated Cash Flow Statements for the four (4)-months financial period ended 31 October 2007 and the corresponding financial period ended 31 October 2006
- Section 5 - Proforma Consolidated Statement of Assets and Liabilities as at 31 October 2007

The proforma consolidated financial information together with the accompanying notes thereto which have been prepared solely for illustrative purposes, to show the effects of the transactions as described in the listing scheme below had the listing scheme been implemented and completed throughout the past three (3) financial years ended 30 June 2007 and four (4)-months financial period ended 31 October 2007.

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8. FINANCIAL INFORMATION (Cont'd)

*JF Technology Berhad (Company No.747681-H)
Proforma Consolidated Financial Information*

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (cont'd)

1. PROFORMA GROUP AND BASIS OF PREPARATION (cont'd)

1.1 Proforma Group

Listing Scheme

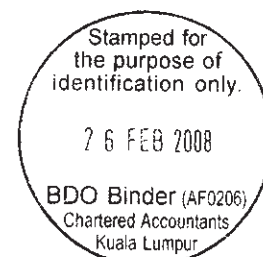
The listing scheme of JF Technology Berhad ("JF Tech" or "the Company") comprises the following:-

- (a) share split involving the subdivision of one (1) ordinary share of RM1.00 each in JF Tech into ten (10) ordinary shares of RM0.10 each in JF Tech ("JF Tech Shares");
- (b) acquisition of 100,000 ordinary shares in J Foong representing the entire equity interest in J Foong for a purchase consideration of RM3,017,998 to be fully satisfied by the issuance of 30,179,980 new JF Tech Shares at an issue price of RM0.10 per JF Tech Share;
- (c) acquisition of 200,000 ordinary shares in JF Micro representing the entire equity interest in JF Micro for a purchase consideration of RM5,482,800 to be fully satisfied by the issuance of 54,828,000 new JF Tech Shares at an issue price of RM0.10 per JF Tech Share;
- (d) acquisition of the Properties for a purchase consideration of RM620,000 to be fully satisfied by the issuance of 6,200,000 new JF Tech Shares at an issue price of RM0.10 per JF Tech Share;
- (e) public issue of 34,792,000 new JF Tech shares of RM0.10 each at an issue price of RM0.40 each, to be issued in the following manner:-
 - (i) 5,000,000 JF Tech Shares will be reserved for application by Malaysian citizens, companies, co-operatives, societies and institutions;
 - (ii) 4,000,000 JF Tech Shares will be reserved for eligible employees, Directors and business associates of JF Tech Group; and
 - (iii) 25,792,000 JF Tech Shares will be placed to investors by the placement agent(s) through a private placement exercise.

Admission to the official list of the MESDAQ Market and listing of and quotation for the entire enlarged issued and paid-up share capital of RM12,600,000 comprising 126,000,000 ordinary shares of RM0.10 each on the MESDAQ Market.

Except for the Public Issue in item (e) above, all of the above transactions have been completed as at the date of this report.

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8. FINANCIAL INFORMATION (Cont'd)

*JF Technology Berhad (Company No.747681-H)
Proforma Consolidated Financial Information*

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (cont'd)**1. PROFORMA GROUP AND BASIS OF PREPARATION (cont'd)****1.2 Basis of preparation**

The proforma consolidated financial information has been prepared in accordance with the accounting principles and bases consistent with the accounting policies adopted by JF Tech and accounting policies previously adopted and disclosed in the audited financial statements of its subsidiary companies for the financial period ended 31 October 2007, and after incorporating adjustments that are appropriate for the preparation of the proforma consolidated financial information.

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8. FINANCIAL INFORMATION (Cont'd)

JF Technology Berhad (Company No.747681-H)
Proforma Consolidated Financial Information

2. PROFORMA CONSOLIDATED INCOME STATEMENTS FOR THE THREE (3) FINANCIAL YEARS ENDED 30 JUNE 2007 AND FOUR (4)-MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2007 AND THE CORRESPONDING PERIOD ENDED 31 OCTOBER 2006

The proforma consolidated income statements of JF Tech Group for the three (3) financial years ended 30 June 2007 and four (4)-months financial period ended 31 October 2007 and the corresponding period ended 31 October 2006, for which the Directors of JF Tech are solely responsible, have been prepared for illustrative purposes only, and on the bases as set out below:-

	<---Financial year ended 30 June --->			(Unaudited) 4-months period ended 31 October	
	2005	2006	2007	2007	2006
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	2,663	4,956	7,794	3,403	2,261
Gross profit	1,887	3,834	5,505	2,603	1,548
Profit before interest, depreciation, taxation and amortisation	1,005	3,006	4,261	2,051	1,248
Amortisation of development expenditure	-	-	(8)	(3)	(1)
Amortisation of prepaid land lease	-	-	-	(4)	-
Depreciation	(116)	(134)	(203)	(70)	(66)
Interest expense	(37)	(54)	(91)	(69)	(22)
Interest income	-	-	17	11	-
Profit before taxation	852	2,818	3,976	1,916	1,159
Tax expense	(235)	(565)	(165)	(24)	(17)
Profit after taxation	617	2,253	3,811	1,892	1,142
Number of ordinary shares of RM0.10 each in issue ('000)*	126,000	126,000	126,000	126,000	126,000
Basic earning per share:-					
Gross earnings per share (sen)	0.68	2.24	3.15	1.52	0.92
Net earnings per share (sen)	0.49	1.79	3.02	1.50	0.91
Gross profit margin (%)	70.86	77.36	70.63	76.49	68.46
Net profit margin (%)	23.17	45.46	48.90	55.60	50.51
Gross dividend rate (%)	-	-	-	-	-

* Based on the issued and paid-up share capital of 126,000,000 of JF Tech shares immediately after the Public Issue.

The depreciation charge is as follows:-

	<---Financial year ended 30 June --->			4-months period ended 31 October	
	2005	2006	2007	2007	2006
	RM'000	RM'000	RM'000	RM'000	RM'000
Depreciation included in:-					(Unaudited)
- Cost of sales	42	54	87	42	37
- Administration expenses	116	134	203	70	66
	158	188	290	112	103

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Chartered Accountants
Kuala Lumpur

8. FINANCIAL INFORMATION (Cont'd)

*JF Technology Berhad (Company No.747681-H)
Proforma Consolidated Financial Information*

NOTES TO THE PROFORMA CONSOLIDATED INCOME STATEMENTS

- (a) The proforma consolidated income statements of JF Tech Group for the three (3) financial years ended 30 June 2007 and four (4)-month financial period ended 31 October 2007, have been prepared for illustrative purposes only and are based on the audited financial statements JF Tech, J Foong and JF Micro after making such adjustments considered necessary assuming that JF Tech Group had been in existence throughout the financial years/period under review. The proforma consolidated income statements of JF Tech Group for the four (4)-months financial period ended 31 October 2006 have not been audited and have been prepared based on management accounts.
- (b) The proforma consolidated income statements of JF Tech Group have been prepared on a basis consistent with those bases and accounting policies adopted by JF Tech and accounting policies previously adopted and disclosed in the audited financial statements of its subsidiary companies for the financial period ended 31 October 2007.
- (c) Tax expense has been adjusted for any under or over provision of taxation in the respective financial years/period, where relevant.
- (d) The gross profit margin is computed by dividing the gross profit by revenue earned in the respective financial years/period.
- (e) The net profit margin is computed by dividing the profit after taxation by revenue earned in the respective financial years/period.
- (f) The proforma gross earnings per share is computed by dividing the profit before taxation by the number of ordinary shares assumed in issue of 126,000,000 ordinary shares of RM0.10 each in JF Tech immediately after the Public Issue.
- (g) The proforma net earnings per share is computed by dividing the profit after taxation by the number of ordinary shares assumed in issue of 126,000,000 ordinary shares of RM0.10 each in JF Tech immediately after the Public Issue.
- (h) All significant inter-company transactions are eliminated on consolidation and the consolidated results reflect external transactions only.
- (i) The proforma consolidated income statements have been prepared based on the audited income statement, after making such reclassifications as the management considered appropriate, for the relevant financial years to reflect fairly on the presentation of trading accounts to manufacturing accounts that the assembly and production activities had taken place since 2004. Accordingly, the effect of the change in presentation has resulted in adjustment to the cost of sales with the corresponding adjustments to administration expenses in financial years ended 30 June 2005 and 30 June 2006, as disclosed below.

Financial year ended 30 June	As previously stated RM'000	Reclassification RM'000	As restated RM'000
2005			
Cost of sales	720	56	776
Administration expenses	1,054	(56)	998
2006			
Cost of sales	696	233	929
Administration expenses	1,215	(233)	982



8. FINANCIAL INFORMATION (Cont'd)

*JF Technology Berhad (Company No. 747681-H)
Proforma Consolidated Financial Information*

3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 OCTOBER 2007

The proforma consolidated balance sheets of JF Tech as at 31 October 2007, for which the Directors of JF Tech are solely responsible, have been prepared for illustrative purposes only, to show the effects of the transactions as described in the listing scheme had they been completed on 31 October 2007. The proforma consolidated balance sheets are based on the audited balance sheets of JF Tech, J Foong and JF Micro as at 31 October 2007 and are set out below:-

	←-----Proforma-----→				
	As at 31 October 2007 (audited) RM'000	I After Share Split RM'000	II After I and Acquisitions RM'000	III After I, II and Public Issue RM'000	IV After I, II, III and Utilisation of Proceeds RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	-	-	4,082	4,082	8,787
Prepaid land lease payments	-	-	4,470	4,470	4,470
Product development costs	-	-	626	626	626
Goodwill on consolidation	-	-	58	58	58
	-	-	9,236	9,236	13,941
Current assets					
Inventories	-	-	587	587	587
Trade receivables	-	-	2,781	2,781	2,781
Other receivables, deposits and prepayments	2	2	808	808	808
Tax recoverable	-	-	10	10	10
Fixed deposit with a licensed bank	-	-	1,028	1,028	1,028
Cash and bank balances	*	*	1,444	15,361	5,678
	2	2	6,658	20,575	10,892
TOTAL ASSETS	2	2	15,894	29,811	24,833
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	*	*	9,121	12,600	12,600
Share premium	-	-	-	10,438	8,988
Retained earnings	(18)	(18)	891	891	891
TOTAL EQUITY	(18)	(18)	10,012	23,929	22,479
LIABILITIES					
Non-current liabilities					
Hire-purchase creditors	-	-	810	810	810
Term loans	-	-	3,671	3,671	143
Deferred tax liabilities	-	-	182	182	182
	-	-	4,663	4,663	1,135
Current liabilities					
Trade payables	-	-	188	188	188
Other payables and accruals	20	20	241	241	241
Hire-purchase creditors	-	-	493	493	493
Term loans	-	-	294	294	294
Tax liability	-	-	3	3	3
	20	20	1,219	1,219	1,219
TOTAL LIABILITIES	20	20	5,882	5,882	2,354
TOTAL EQUITY AND LIABILITIES	2	2	15,894	29,811	24,833

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26 FEB 2008

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Chartered Accountants
Kuala Lumpur

8. FINANCIAL INFORMATION (Cont'd)

*JF Technology Berhad (Company No. 747681-H)
Proforma Consolidated Financial Information*

3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 OCTOBER 2007 (cont'd)

	As at 31 October 2007 (audited)	Proforma			
		I	II	III	IV
		After Share Split	After I and Acquisitions	After I, II and Public Issue	After I, II, III and Utilisation of Proceeds
Net (liabilities)/tangible assets (RM'000)	(18)	(18)	9,328	23,245	21,795
Number of ordinary shares ('000)	^	#	91,208	126,000	126,000
Net (liabilities)/tangible assets per ordinary share of RM1.00 each (RM)	(9,000.00)	n/r	n/r	n/r	n/r
Net tangible assets per ordinary share of RM0.10 each (RM)	n/r	(900.00)	0.10	0.18	0.17

Notes:-

* Represents RM2.00

^ Represents 2 ordinary shares of RM1.00 each

Represents 20 ordinary shares of RM0.10 each

n/r Not relevant

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8. FINANCIAL INFORMATION (Cont'd)

*JF Technology Berhad (Company No.747681-H)
Proforma Consolidated Financial Information*

3.1 PROFORMA ADJUSTMENTS TO THE PROFORMA CONSOLIDATED BALANCE SHEETS

(A) PROFORMA I

Share Split

The proforma I is stated after the subdivision of every one (1) existing ordinary share of RM1.00 each in JF Tech into ten (10) ordinary shares of RM0.10 each in JF Tech ("JF Tech Shares"). As at date of incorporation, the share capital of JF Tech was RM2 comprising two (2) ordinary shares of RM1.00 each. Upon completion of the Share Split, the share capital of JF Tech would be RM2, comprising twenty (20) JF Tech Shares.

(B) PROFORMA II

The proforma II is stated after proforma I and incorporation of the following transactions:

(i) Acquisition of J Foong

JF Tech had on 9 July 2007 entered into a Share Sale Agreement ("SSA") with the shareholders of J Foong for the acquisition of the entire equity interest in J Foong for a purchase consideration of RM3,017,998 to be satisfied by the issuance of 30,179,980 new JF Tech Shares.

The goodwill on consolidation arising from the Acquisition of J Foong amounting to RM58,136 is based on the net assets of J Foong as at 31 October 2007.

(ii) Acquisition of JF Micro

JF Tech had on 9 July 2007 entered into a SSA with the shareholders of JF Micro for the acquisition of the entire equity interest in JF Micro for a total purchase consideration of RM5,482,800 to be satisfied by the issuance of 54,828,000 new JF Tech Shares.

The negative goodwill on consolidation arising from the Acquisition of JF Micro amounting to RM874,947 is based on the net assets of JF Micro as at 31 October 2007. In accordance with FRS 3 - Business Combinations, the negative goodwill is recognised immediately in income statements.

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8. FINANCIAL INFORMATION (Cont'd)

*JF Technology Berhad (Company No.747681-H)
Proforma Consolidated Financial Information*

3.1 PROFORMA ADJUSTMENTS TO THE PROFORMA CONSOLIDATED BALANCE SHEETS (cont'd)

(B) PROFORMA II (cont'd)

The proforma II is stated after proforma I and incorporation of the following transactions:

(iii) Acquisition of Properties

On 9 July 2007, JF Tech entered into a conditional Sale and Purchase Agreement with Foong Wei Kuong and Wang Mei Ling for the acquisition of:

- (i) A freehold intermediate office lot, known as Parcel No. 84, Storey No. 4, Building No. M1-A, on Lot No. 42440, within Pekan Cempaka, District of Petaling, State of Selangor, held under Strata Title Geran 46496/M1-A/4/84, and having a postal address of No. 5-4, Block E2, Jalan PJU 1/42A, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan for a purchase consideration of RM360,000, to be fully satisfied by the issuance of 3,600,000 new JF Tech Shares at an issue price of RM0.10 per JF Tech Share; and
- (ii) A 3+1 – bedroom condominium, known as Parcel No. PS-10B-T, Type: Tiara, Storey No. Nine Building No. Princess Wing, Tiara Kelana, erected on part of land held under Master Title H.S.(M) 6689, P.T. 131, Mukim of Damansara, District of Kelana Jaya (now within District of Petaling), State of Selangor, together with Accessory Parcel No. A3-11 of Building No. Block A, and having a postal address of No. 1002, Block A, Tiara Kelana Condominium, No. 1, Jalan SS7/19, Taman Sri Kelana, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan for a purchase consideration of RM260,000, to be fully satisfied by the issuance of 2,600,000 new JF Tech Shares at an issue price of RM0.10 per JF Tech Share.

The total purchase consideration of RM620,000 is to be fully satisfied by issuance of 6,200,000 new JF Tech Shares to Foong Wei Kuong and Wang Mei Ling at an issue price of RM0.10 per JF Tech Share.

(The Acquisition of J Foong, Acquisition of JF Micro and Acquisition of Properties are collectively referred as "Acquisitions")

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8. FINANCIAL INFORMATION (Cont'd)

*JF Technology Berhad (Company No.747681-H)
Proforma Consolidated Financial Information*

3.1 PROFORMA ADJUSTMENTS TO THE PROFORMA CONSOLIDATED BALANCE SHEETS (cont'd)**(C) PROFORMA III**

The proforma III is stated after proforma II and incorporation of the following transactions:

(a) Public Issue

Public Issue of 34,792,000 new JF Tech Shares representing 27.61% of the enlarged share capital of JF Tech at an issue price of RM0.40 per ordinary share to be allocated in the following manner:

- (i) 5,000,000 JF Tech Shares will be reserved for application by Malaysian citizens, companies, co-operatives, societies and institutions;
- (ii) 4,000,000 JF Tech Shares will be reserved for eligible employees, Directors and business associates of the JF Tech Group; and
- (iii) 25,792,000 JF Tech Shares will be placed to investors by the placement agent(s) through a private placement exercise.

(b) Listing

Listing of and quotation for its entire enlarged issued and paid-up share capital of RM12,600,000 comprising 126,000,000 JF Tech Shares on the MESDAQ Market of Bursa Malaysia Securities Berhad.

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8. FINANCIAL INFORMATION (Cont'd)

*JF Technology Berhad (Company No.747681-H)
Proforma Consolidated Financial Information*

3.1 PROFORMA ADJUSTMENTS TO THE PROFORMA CONSOLIDATED BALANCE SHEETS (cont'd)

(D) PROFORMA IV

The proforma IV is stated after proforma III and incorporation of the following transactions:

Utilisation of Proceeds

The gross proceeds expected to be raised through the Public Issue are RM13.917 million.

The total gross proceeds of RM13.917 million will be utilised in the following manner:

	Note	RM'000
Part finance the acquisition of land and/or construction of factory	(i)	3,528
Purchase of R&D equipment		2,055
Purchase of manufacturing equipment		2,650
Working capital [#]		4,234
Estimated listing expenses* [#]		1,450
		<u>13,917</u>

Notes:-

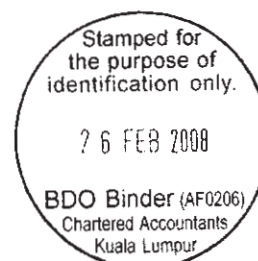
* The listing expenses of RM1,450,000 are netted off against the share premium arising from the Public Issue.

The proceeds to be utilised for the working capital will be adjusted accordingly in the event of any variation in the actual listing expenses from their estimated amount.

Note (i)

Before the receipt of proceeds from the Public Issue, part of the acquisition cost of land has been financed using bank borrowings while construction cost may be financed using bank borrowings. Hence, any amount of bank borrowings used for the abovementioned purposes would be repaid using the proceeds from the Proposed Public Issue.

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8. FINANCIAL INFORMATION (Cont'd)

JF Technology Berhad (Company No.747681-H)
Proforma Consolidated Financial Information

3.1 PROFORMA ADJUSTMENTS TO THE PROFORMA CONSOLIDATED BALANCE SHEETS (cont'd)

(E) SHARE CAPITAL, SHARE PREMIUM AND RETAINED EARNINGS

The movements in share capital, share premium and retained earnings of JF Tech Group are as follows:-

	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total RM'000
As at 31 October 2007	^	-	(18)	(18)
Share Split	-	-	-	-
Proforma I	#	-	(18)	(18)
Arising pursuant to the Acquisitions	9,121	-	875	9,996
Inter-company sale of motor vehicle consolidation adjustment	-	-	34	34
Proforma II	9,121	-	891	10,012
Public Issue	3,479	10,438	-	13,917
Proforma III	12,600	10,438	891	23,929
Estimated listing expenses netted off	-	(1,450)	-	(1,450)
Proforma IV	<u>12,600</u>	<u>8,988</u>	<u>891</u>	<u>22,479</u>

Notes:-

^ Represents RM2, comprising 2 ordinary shares of RM1.00 each
Represents RM2, comprising 20 ordinary shares of RM0.10 each

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8. FINANCIAL INFORMATION (Cont'd)

*JF Technology Berhad (Company No. 747681-H)
Proforma Consolidated Financial Information*

4. PROFORMA CONSOLIDATED CASH FLOW STATEMENTS FOR THE FOUR (4)-MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2007 AND THE CORRESPONDING PERIOD ENDED 31 OCTOBER 2006

The proforma consolidated cash flow statements of JF Tech Group for the four (4)-months financial period ended 31 October 2007 and the corresponding period ended 31 October 2006 are prepared for illustrative purposes only to show the effects of the transactions as described in the listing scheme had they been completed as at 31 October 2007 and on the assumption that JF Tech Group had been in existence throughout the financial years/period under review. The preparation of the proforma consolidated cash flow statements are solely the responsibility of the Directors of JF Tech and are based on the audited financial statements of JF Tech and its subsidiary companies for the four (4)-months financial period ended 31 October 2007 and the unaudited management accounts of JF Tech and its subsidiary companies for the corresponding financial period ended 31 October 2006, after making such adjustments deemed necessary.

	4-month period ended 31 October	
	2007 RM'000	2006 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,916	1,159
Adjustments for:-		
Amortisation of prepaid land lease payments	4	-
Amortisation of product development cost	3	-
Depreciation of property, plant and equipment	112	103
Interest expense	69	22
Interest income	(11)	-
Operating profit before working capital changes	2,093	1,284
Increase in inventories	(41)	(56)
Increase in trade receivables	(818)	(609)
Decrease/(Increase) in other receivables, deposits and prepayments	800	(178)
Increase in trade payables	11	130
Increase/(Decrease) in other payables and accruals	152	(28)
Cash generated from operations	2,197	543
Tax paid	(30)	(169)
Net cash from operating activities	2,167	374
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,983)	(202)
Purchase of leasehold land	(4,473)	-
Interest received	11	-
Product development cost incurred	(127)	(91)
Net cash used in investing activities	(9,572)	(293)

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26 FEB 2008

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Chartered Accountants
Kuala Lumpur

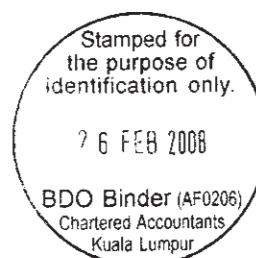
8. FINANCIAL INFORMATION (Cont'd)

*JF Technology Berhad (Company No. 747681-H)
Proforma Consolidated Financial Information*

4. PROFORMA CONSOLIDATED CASH FLOW STATEMENTS FOR THE FOUR (4)-MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2007 AND THE CORRESPONDING PERIOD ENDED 31 OCTOBER 2006 (cont'd)

	4-month period ended 31 October	
	2007 RM'000	2006 (Unaudited) RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(69)	(22)
Repayment of term loans	(3,559)	(10)
Drawn down of term loan	3,400	-
Repayment of hire-purchase and lease liabilities	(127)	(78)
Proceeds from Public Issue	13,917	-
Listing expenses	(1,450)	-
Net cash from/(used in) financing activities	12,112	(110)
Net increase/(decrease) in cash and bank balances	4,707	(29)
Cash and bank balances at beginning of financial period	1,999	863
Cash and bank balances at end of financial period	6,706	834

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8. FINANCIAL INFORMATION (Cont'd)*JF Technology Berhad (Company No. 747681-H)
Proforma Consolidated Financial Information***5. PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31 OCTOBER 2007**

The proforma consolidated statement of assets and liabilities of JF Tech Group as at 31 October 2007, for which the Directors of JF Tech are solely responsible, have been prepared for illustrative purposes only and is based on the audited financial statements of JF Tech, J Foong and JF Micro as at 31 October 2007 after making such adjustments considered necessary assuming the listing scheme had been completed on 31 October 2007. The proforma consolidated statement of assets and liabilities should be read in conjunction with the notes thereon:-

ASSETS	NOTE	Group As at 31 October 2007 RM'000
Non-current assets		
Property, plant and equipment	5.1.1	8,787
Prepaid land lease payments	5.1.2	4,470
Product development costs	5.1.3	626
Goodwill on consolidation	5.1.4	58
		13,941
Current assets		
Inventories	5.1.5	587
Trade receivables	5.1.6	2781
Other receivables, deposits and prepayments	5.1.7	808
Tax recoverable		10
Fixed deposit with a licensed bank		1,028
Cash and bank balances		5,678
		10,892
TOTAL ASSETS		24,833
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	5.1.8	12,600
Share premium	5.1.9	8,988
Retained earnings		891
TOTAL EQUITY		22,479
LIABILITIES		
Non-current liabilities		
Hire-purchase creditors	5.1.10	810
Term loans	5.1.11	143
Deferred tax liabilities	5.1.12	182
		1,135
Current liabilities		
Trade payables	5.1.13	188
Other payables and accruals	5.1.14	241
Hire purchase creditors	5.1.10	493
Term loans	5.1.11	294
Tax liability		3
		1,219
TOTAL LIABILITIES		2,354
TOTAL EQUITY AND LIABILITIES		24,833
Proforma net tangible assets per ordinary share of RM0.10 each (RM)		0.17

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Chartered Accountants
Kuala Lumpur

8. FINANCIAL INFORMATION (Cont'd)

*JF Technology Berhad (Company No. 747681-H)
Proforma Consolidated Financial Information*

5.1 NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31 OCTOBER 2007

5.1.1 PROPERTY, PLANT AND EQUIPMENT

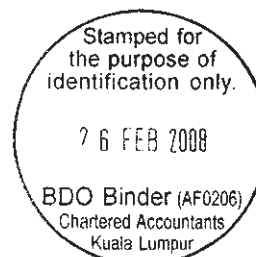
As at 31 October 2007	At cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
Buildings	1,644	45	1,599
Plant and machinery	1,318	58	1,260
Office equipment	327	67	260
Furniture and fittings	102	32	70
Tools and equipment	5,303	181	5,122
Motor vehicles	639	300	339
Renovation	180	43	137
	<u>9,513</u>	<u>726</u>	<u>8,787</u>

The net book value of property, plant and equipment which have been acquired by way of hire-purchase and lease arrangements are as follows:-

	As at 31 October 2007 RM'000
Office equipment	45
Plant and machinery	1,112
Tools and equipment	108
Motor vehicles	332
Renovation	48
	<u>1,645</u>

The net book value of property, plant and equipment which have been charged to licensed financial institutions for credit facilities granted to the Proforma Group are as follows:-

	As at 31 October 2007 RM'000
Buildings	<u>856</u>



8. FINANCIAL INFORMATION (Cont'd)

JF Technology Berhad (Company No. 747681-H)
Proforma Consolidated Financial Information

5.1 NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31 OCTOBER 2007 (cont'd)

5.1.2 PREPAID LAND LEASE PAYMENTS

	As at 31 October 2007 RM'000
As at 1 July 2007	-
Additions	4,470
	<hr/>
As at end of financial period	<u>4,470</u>

5.1.3 PRODUCT DEVELOPMENT COSTS

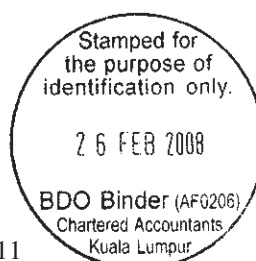
	As at 31 October 2007 RM'000
As at 1 July 2007	-
Additions	626
	<hr/>
As at end of financial period	<u>626</u>

5.1.4 GOODWILL ON CONSOLIDATION

	As at 31 October 2007 RM'000
As at 1 July 2007	-
Arising from acquisitions of subsidiary companies	58
	<hr/>
As at end of financial period	<u>58</u>

5.1.5 INVENTORIES

	As at 31 October 2007 RM'000
At cost	
Raw materials	376
Finished goods	211
	<hr/>
	<u>587</u>



8. FINANCIAL INFORMATION (Cont'd)

*JF Technology Berhad (Company No. 747681-H)
Proforma Consolidated Financial Information*

5.1 NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31 OCTOBER 2007 (cont'd)

5.1.6 TRADE RECEIVABLES

The credit terms of trade receivables range from 30 to 60 days from the date of invoice.

5.1.7 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 31 October 2007 RM'000
Other receivables	17
Deposits	40
Prepayments	751
	808

5.1.8 SHARE CAPITAL

	Number of shares of RM1.00 each	RM'000
Issued and fully paid:-		
As at date of incorporation	2	^
	Number of shares of RM0.10 each	RM'000
Share split	20	#
Pursuant to the Acquisitions	91,207,980	9,121
Public issue	34,792,000	3,479
	126,000,000	12,600

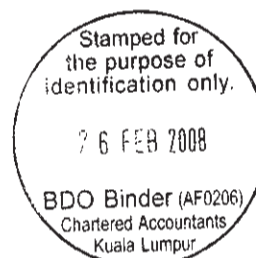
Notes:

^ Represents RM2, comprising 2 ordinary shares of RM1.00 each

Represents RM2, comprising 20 ordinary shares of RM0.10 each

5.1.9 SHARE PREMIUM

The share premium is in respect of share proceeds in excess of the nominal value of shares issued pursuant to the Public Issue after deducting the listing expenses of RM1,450,000.



8. FINANCIAL INFORMATION (Cont'd)

*JF Technology Berhad (Company No. 747681-H)
Proforma Consolidated Financial Information*

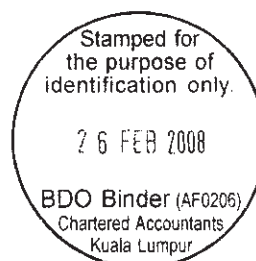
5.1 NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31 OCTOBER 2007 (cont'd)

5.1.10 HIRE-PURCHASE AND LEASE CREDITORS

	As at 31 October 2007 RM'000
Minimum hire-purchase payment:-	
- not later than one year	562
- later than one year and not later than five years	858
	<u>1,420</u>
Less: Future interest charge	<u>(117)</u>
Present value of hire purchase liabilities	<u>1,303</u>
Repayable as follows:-	
Current liabilities:-	
- not later than one year	493
Long term liabilities:-	
- later than one year and not later than five years	<u>810</u>
	<u>1,303</u>

5.1.11 TERM LOANS

	As at 31 October 2007 RM'000
<u>Term loan I</u>	
Term loan repayable over a period of 15 years with an equal installment of RM4,473 each month commencing 7 April 2005	360
<u>Term loan II</u>	
Term loan repayable over a period of 15 years with an equal installment of RM2,807 each month commencing 1 April 2005	226
<u>Term loan III</u>	
Term loan repayable over a period of 10 years with an equal installment of RM37,500 each month commencing 1 October 2007	3,379
	<u>3,965</u>
Less: Proforma repayment of term loan I, II and III by utilising the proceed from proposed Public Issue	<u>(3,528)</u>
	<u>437</u>
Repayable as follows:-	
Current liabilities:-	
- not later than one year	294
Non-current liabilities:-	
- later than one year and not later than five years	<u>143</u>
	<u>437</u>



8. FINANCIAL INFORMATION (Cont'd)

JF Technology Berhad (Company No. 747681-H)
Proforma Consolidated Financial Information

5.1 NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31 OCTOBER 2007 (cont'd)

5.1.11 TERM LOANS (cont'd)

Term loan I and II are secured by means of a fixed charge over the buildings of a subsidiary company, J Foong, and joint and several guarantee by Directors of J Foong.

The term loan I and II bear interest rates as follows:-

1 st year	3.59% per annum on monthly rest
2 nd year	5.50% per annum on monthly rest
3 rd year	6.00% per annum on monthly rest
4 th and 5 th year	6.60% per annum on monthly rest
Subsequent years	6.40% per annum on monthly rest

Term loan III bears interest rates at 5.75% per annum and is secured by the following:

- (i) deed of assignment over the leasehold land of a subsidiary company, JF Micro;
- (ii) joint and several guarantee from the Directors of JF Micro; and
- (iii) corporate guarantee from J Foong.

The main covenants of term loan III facilities are as follows:

- (i) to maintain a gearing ratio of not more than 3 times from the financial year ending 30 June 2008 onwards; and
- (ii) the paid-up capital is to be increased to at least RM500,000 not later than 31 December 2007, which was subsequently revised to not later than 30 June 2008.



8. FINANCIAL INFORMATION (Cont'd)

JF Technology Berhad (Company No. 747681-H)
Proforma Consolidated Financial Information

5.1 NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31 OCTOBER 2007 (cont'd)

5.1.12 DEFERRED TAX LIABILITIES

(a) The movements of deferred tax liabilities during the financial period are as follows:-

	RM'000
At 1 July 2007	181
Recognised in the income statement	
Excess of capital allowances over corresponding depreciation	1
	1
At end of financial period	182

(b) The component of deferred tax liabilities as at the end of the financial period is as follows:-

	As at 31 October 2007 RM'000
Deferred tax liabilities	
Excess of capital allowances over corresponding depreciation	182

5.1.13 TRADE PAYABLES

The credit terms of trade payables range from 30 to 60 days from the date of invoice.

5.1.14 OTHER PAYABLES AND ACCRUALS

	As at 31 October 2007 RM'000
Other payables	61
Accruals	180
	241



8. FINANCIAL INFORMATION (Cont'd)

*JF Technology Berhad (Company No. 747681-H)
Proforma Consolidated Financial Information*

5.1 NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31 OCTOBER 2007 (cont'd)

5.1.15 PROFORMA NET TANGIBLE ASSETS

Based on the proforma consolidated statement of assets and liabilities of JF Tech Group as at 31 October 2007, the proforma net tangible assets per ordinary share of RM0.10 each is as follows:-

	As at 31 October 2007
Proforma net tangible assets (RM'000)	<u>21,795</u>
Number of ordinary shares in issue ('000)	<u>126,000</u>
Proforma net tangible assets per ordinary share of RM0.10 each (RM)	<u>0.17</u>

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 26 February 2008.

On behalf of the Board of Directors



FOONG WEI KUONG
DIRECTOR
JF TECHNOLOGY BERHAD



WANG MEI LING
DIRECTOR
JF TECHNOLOGY BERHAD



8. FINANCIAL INFORMATION *(Cont'd)*

8.8 FUTURE FINANCIAL INFORMATION

8.8.1 Consolidated profit forecast

Our Directors forecast that the consolidated profit forecast of our Group before and after taxation for financial year ending 30 June 2008 will be as follows:

Financial year ending 30 June	Forecast 2008 RM'000
Revenue	11,653
Consolidated PBT	5,256
Less: Taxation	(63)
	5,193
Less: Pre-acquisition profit	(3,086)
Consolidated PAT attributable to our shareholders	2,107
<i>Based on weighted average number of JF Tech Shares in issue of 48,671,977*</i>	
Gross EPS (sen)*	4.42
Net EPS (sen)*	4.33
Gross PE multiple based on the Issue Price per JF Tech Share (times)	9.05
Net PE multiple based on the Issue Price per JF Tech Share (times)	9.24

Based on the enlarged share capital of 126,000,000 JF Tech Shares in issue after the IPO

Gross EPS (sen)^	4.17
Net EPS (sen)^	4.12
Gross PE multiple based on the Issue Price per JF Tech Share (times)	9.59
Net PE multiple based on the Issue Price per JF Tech Share (times)	9.71

Notes:

Based on the assumption that the Public Issue is completed by 16 April 2008.

* *Computed by dividing the post-acquisition profit by the weighted average number of JF Tech Shares in issue of 48,671,977.*

^ *Computed by dividing the proforma profit (without adjustment for pre-acquisition profit) by the enlarged share capital 126,000,000 JF Tech Shares in issue after the IPO.*

The principal assumptions upon which the consolidated profit forecast above have been made are disclosed in the Reporting Accountants' Letter set out in Section 8.9 of this Prospectus.

8.8.2 Sensitivity analysis

The following sensitivity analysis is prepared based on the forecast assumptions as set out in Section 8.8 of this Prospectus and attempts to show the impact on the forecast consolidated profits assuming all other things remain unchanged except for 5% and 10% upward and downward variations in the revenue and cost of sales. Notwithstanding the impact of the variations in revenue and cost of sales, there may exist other factors which have not been taken into account, which variations may have a significant impact, either positively or negatively, on the financials of our Group. The sensitivity analysis is as follows:

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8. FINANCIAL INFORMATION (Cont'd)**(a) Variation in revenue***Financial year ending 30 June 2008*

	PBT RM'000	% change in PBT
As forecasted	5,256	-
Increase by 5%	5,839	11.09
Increase by 10%	6,421	22.17
Decrease by 5%	4,673	(11.09)
Decrease by 10%	4,091	(22.17)

The above analysis shows that a 5% and 10% variation in revenue will have a significant impact on our Group's PBT. However, based on the above sensitivity analysis, our Group will remain profitable over the forecast years despite a 5% and 10% downward variation in revenue for the financial year ending 30 June 2008.

(b) Variation in cost of sales*Financial year ending 30 June 2008*

	PBT RM'000	% change in PBT
As forecasted	5,256	-
Increase by 5%	5,105	(2.87)
Increase by 10%	4,954	(5.75)
Decrease by 5%	5,407	2.87
Decrease by 10%	5,558	5.75

The above analysis shows that our PBT is less sensitive to a 5% and 10% variation in cost of sales as compared to revenue. Based on the above sensitivity analysis, our Group will remain profitable over the forecast years despite a 5% and 10% upward variation in raw materials cost for the financial year ending 30 June 2008.

Our Directors have assessed the sensitivity of the profit forecast of our Group taking into consideration the fluctuation in major variables as mentioned above. Our Directors are of the view that the sensitivity analysis on our Group's profit forecast is fair and reasonable.

8.8.3 Directors' analysis and commentary on the consolidated profit forecast for financial year ending 30 June 2008

For the financial year ending 30 June 2008, our Group forecasts to achieve approximately 49.51% increase in revenue from approximately RM7.79 million for financial year ended 30 June 2007 to RM11.65 million. The major contributors for the increase in revenue are from the increase in revenue of G2 Kelvin pins. G2 Kelvin pins is expected to contribute 76.65% of the total revenue.

In line with the increase in revenue, PBT is expected to increase from RM3.98 million in previous financial year to RM5.26 million for the financial year ending 30 June 2008, which is an increase of approximately 32.19%. The increase in PBT is in line with the increase in revenue.

Other than the Product Supply Agreement with SRM as detailed in Section 15.6 of this Prospectus, there is no contractual agreement entered into by our Group with our customers due to the nature of the industry we are operating in. Despite the above, our Group has maintained long term relationships with most of our customers as evidenced by the significant growth in our revenue throughout the financial years under review. We believe that our Group will continue to have the support of our major customers in the future.

8. FINANCIAL INFORMATION *(Cont'd)*

Our Directors recognise the fact that our business activities, more specifically the test probe industry, predominantly rely on semiconductor industry, which has become increasingly cyclical. In view of this, our Group emphasises on continuous R&D activities to improve our products' quality and ranges in order to capture wider customer base. Please refer to Section 4.3.6 of this Prospectus for the details of our R&D activities. Meanwhile, our Group intends to continue to create awareness and visibility for the product offering of our Group, in order to penetrate into the preferred supplier lists of the various multinational companies and increase our customer base. Our Directors believe that the aforesaid measures and efforts will contribute to revenue growth of our Group as forecasted after taking into consideration anticipated sales arising from discussion with customers and past revenue trend.

Besides, our Directors are of opinion that our Group will maintain sufficient liquidity levels and will have adequate working capital for its foreseeable requirements.

Our Directors have reviewed the consolidated profit forecast of our Group for the financial year ending 30 June 2008, based on the assumptions referred to in Section 8.9 of this Prospectus and accept full responsibility for the consolidated profit forecast. Our Directors are of the opinion, after due and careful enquiry, that the consolidated profit forecast is fair and reasonable in light of the prospects of the test probe industry in which our Group operates, the future plans as set out in Section 4.8 of this Prospectus, as well as the level of gearing, liquidity and working capital requirements of our Group. However, there can be no assurance that the consolidated profit forecast contained herein will be realised and actual result may be materially different from it due to the subjective judgments and inherent uncertainties of the consolidated profit forecast and as events and circumstances frequently do not occur as expected.

8.8.4 Dividend forecast

We do not intend to declare any dividend for the financial year ending 30 June 2008 as our Directors are of the opinion that it would be more beneficial for our Group to reserve excess cash flow for the expansion of our business operation. Nevertheless, our Directors will endeavour to declare dividends in the future, subject to the profitability of our Group for the relevant financial year, adequacy of reserves for the future growth of our Group and sufficiency of cash flows to meet any dividend payments.

Future dividend may not be paid if:

- (i) our Group is in a loss position for the relevant financial period; or
- (ii) our Group has insufficient cashflows to meet any dividend payments.

Our Directors have full discretion not to propose any future dividend payment as and when deemed necessary, if it is in the best interest of our Company.

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8. FINANCIAL INFORMATION (Cont'd)

8.9 REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED PROFIT FORECAST FOR THE FINANCIAL YEAR ENDING 30 JUNE 2008 (Prepared for inclusion in the Prospectus)

BDO Binder (AF 0206)
Chartered Accountants

12th Floor Menara Uni.Asia
1008 Jalan Sultan Ismail
50250 Kuala Lumpur Malaysia
Telephone : (603) 2616 2888
Telefax : (603) 2616 3190, 2616 3191
Website : www.bdobinder.com

Our Ref: BDOB/DT/WSK

26 February 2008

The Board of Directors
JF Technology Berhad
Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Dear Sirs

**JF TECHNOLOGY BERHAD (“JF Tech” or “the Company”)
CONSOLIDATED PROFIT FORECAST
FOR THE FINANCIAL YEAR ENDING 30 JUNE 2008**

We have reviewed the consolidated profit forecast of JF Tech and its subsidiary companies comprising J Foong Technologies Sdn Bhd (“J Foong”) and JF Microtechnology Sdn Bhd (“JF Micro”) (collectively referred as “JF Tech Group” or “the Group”) for the financial year ending 30 June 2008 as set out in the accompanying statement (which we have stamped for the purpose of identification) in accordance with the Standard on Auditing AI 3400 “The Examination of Prospective Financial Information” applicable to the review of forecasts. The consolidated profit forecast have been prepared for inclusion in the Prospectus of JF Tech to be dated 27 March 2008 in connection with the proposed listing and quotation for the entire enlarged issued and paid-up share capital of JF Tech on the MESDAQ Market of Bursa Malaysia Securities Berhad and should not be relied on for any other purposes. The Proposed Listing of JF Tech involves the followings:-

- (a) share split involving the subdivision of one (1) existing ordinary share of RM1.00 each in JF Tech into ten (10) ordinary shares of RM0.10 each in JF Tech (“JF Tech Shares”);
- (b) acquisition of 100,000 ordinary shares in J Foong representing the entire equity interest in J Foong for a purchase consideration of RM3,017,998 to be fully satisfied by the issuance of 30,179,980 new JF Tech Shares at an issue price of RM0.10 per JF Tech Share;
- (c) acquisition of 200,000 ordinary shares in JF Micro representing the entire equity interest in JF Micro for a purchase consideration of RM5,482,800, to be fully satisfied by the issuance of 54,828,000 new JF Tech Shares at an issue price of RM0.10 per JF Tech Share;
- (d) acquisition of the Properties for a total purchase consideration of RM620,000, to be fully satisfied by the issuance of 6,200,000 new JF Tech Shares at an issue price of RM0.10 per JF Tech Share;

8. FINANCIAL INFORMATION (Cont'd)

*JF Technology Berhad (Company no. 747681-H)
Consolidated Profit Forecast
For the Financial Year Ending 30 June 2008*



- (e) Proposed public issue of 34,792,000 new JF Tech Shares of RM0.10 each at an issue price of RM0.40 each, to be issued in the following manner:
- (i) 5,000,000 new JF Tech Shares will be reserved for application by Malaysian citizens, companies, co-operatives, societies and institutions;
 - (ii) 4,000,000 new JF Tech Shares will be reserved for eligible employees, Directors and business associates of the JF Tech Group; and
 - (iii) 25,792,000 new JF Tech Shares will be placed to investors by the placement agent(s) through a private placement exercise.

Admission to the Official List of the MESDAQ Market and the listing of and quotation for the entire enlarged issued and paid-up share capital of JF Tech of RM12,600,000 comprising 126,000,000 ordinary shares of RM0.10 each on the MESDAQ Market of the Bursa Malaysia Securities Berhad.

Except for the Public Issue in item (e) above, all of the above transactions have been completed on 18 January 2008.

Our review has been undertaken to enable us to form an opinion as to whether the consolidated profit forecast, in all material respects, are properly prepared on the basis of the assumptions made by the Directors of JF Tech and are presented on a basis consistent with the accounting policies adopted and disclosed by JF Tech and its subsidiary companies in their audited financial statements for the financial period ended 31 October 2007. The Directors of JF Tech are solely responsible for the preparation and presentation of the consolidated profit forecast and the assumptions on which the consolidated profit forecast are based.

Forecast, in this context, mean prospective financial information prepared on the basis of assumptions as to future events which management expects to take place and the actions which management expects to take as of the date the information is prepared (best-estimate assumptions). While information may be available to support the assumptions on which a forecast is based, such information is generally future oriented and therefore uncertain. Thus, actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation could be material.

8. FINANCIAL INFORMATION (Cont'd)

*JF Technology Berhad (Company no. 747681-H)
Consolidated Profit Forecast
For the Financial Year Ending 30 June 2008*



Subject to the matters stated in the preceding paragraphs:-

- (i) nothing has come to our attention which causes us to believe that the assumptions made by the Directors, as set out in the accompanying statement, do not provide a reasonable basis for the preparation of the consolidated profit forecast; and
- (ii) in our opinion, the consolidated profit forecast, so far as the calculations are concerned, are properly prepared on the basis of the assumptions made by the Directors and are presented on a basis consistent with the accounting policies adopted and disclosed by JF Tech and its subsidiary companies in their audited financial statements for the financial period ended 31 October 2007.

We understand that this letter will be used solely for inclusion in the Prospectus to be dated 27 March 2008. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

BDO Binder
AF : 0206
Chartered Accountants

Tan Lye Chong
1972/08/09 (J)
Partner

8. FINANCIAL INFORMATION (Cont'd)

JF TECHNOLOGY BERHAD ("JF Tech" or "the Company") **CONSOLIDATED PROFIT FORECAST FOR THE FINANCIAL YEAR ENDING 30 JUNE 2008 TOGETHER WITH THE PRINCIPAL BASES AND ASSUMPTIONS THERETO**

The Directors of the Company forecast that, barring unforeseen circumstances, the consolidated profit forecast of the Company and its subsidiary companies (collectively referred as "JF Tech Group" or "the Group") for the financial year ending 30 June 2008 will be as follows:-

	Year Ending 30 June 2008 RM'000
Revenue	<u>11,653</u>
Consolidated profit before taxation	5,256
Less: Taxation	<u>(63)</u>
Consolidated profit after taxation	5,193
Less: Forecast pre-acquisition profit*	<u>(3,086)</u>
Consolidated net profit attributable to equity holders of the Company	<u>2,107</u>
Basic earnings per share ⁽¹⁾ (sen):- - based on consolidated net profit attributable to equity holders of the Company	4.33
Prospective price per earning multiple ⁽²⁾ (times):- - based on consolidated net profit attributable to equity holders of the Company	9.24

Notes:

(1) Computed based on the weighted average number of ordinary shares in issue of 48,671,977 JF Tech shares assuming the proposed initial public offering ("Proposed IPO") will be completed by 16 April 2008.

(2) Computed based on the Proposed IPO at an issue price of RM0.40 per share.

* JF Tech obtained control over the financial and operating policies of its subsidiary companies on 18 January 2008, in accordance with the Sale and Purchase Agreements between the parties. Accordingly, the profit from 1 July 2007 to 18 January 2008 will be considered as pre-acquisition profit.

The excess of the provisional fair values of the net assets acquired over the consideration paid arising from the acquisition of subsidiary companies has not been accounted for in the above forecast as the gain is deemed to be non-recurring income and non-operational.



8. FINANCIAL INFORMATION (Cont'd)

The consolidated profit forecast of JF Tech Group for the financial year ending 30 June 2008 has been prepared based on the Directors' assessment of the present economic and operating conditions, and a number of best estimate assumptions regarding future events and actions which, at the date the forecast was approved, the Directors expect to take place. These future events may or may not take place. The principal assumptions which may impact their achievement are set out in the notes to the consolidated profit forecast.

Forecast, by its very nature, are subject to uncertainties and unexpected events, many of which are outside the control of JF Tech Group and its Directors. Also, events and circumstances often do not occur as anticipated and therefore actual results are likely to differ from the forecast, and the differences may be material.

The principal bases and assumptions upon which the above consolidated profit forecast after tax have been prepared are as follows:-

A. Specific Assumptions

1. Revenue

- (a) The forecasted revenue of JF Tech Group will be derived from the following products:

<u>Products</u>	Forecast 2008 RM'000
Tungsten pins	1,010
G2 Kelvin pins	8,932
Lasak™ pins	353
Moulded	62
Single pins	250
Tesec (G10)	78
MH	423
Others	243
SC70/SOT	302
	11,653

The revenues are dependent on rolling purchase orders and there are no secured contract orders on monthly and yearly basis.

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8. FINANCIAL INFORMATION (Cont'd)

(b) The major segment of products by average unit price and volume are as follows:-

	Average price per unit RM/unit	Annual volume units	Forecast 2008 RM'000
G2 Kelvin pins	239.09	37,359	8,932
Tungsten pins	117.54	8,594	1,010
MH	1,424.57	297	423
Lasak™ pins	7.86	44,900	353

It is assumed that the demand and prices of JF Tech Group's products will be attainable as forecasted.

- (c) The gross profit margin is forecasted to be approximately 74%.
- (d) It is assumed that there will be no significant changes in the current demand and prevailing market conditions in Malaysia and overseas, which will adversely affect the activities and performance of JF Tech Group. The expected selling price of goods and the profit margins of JF Tech Group's activities will be achieved as forecasted.
- (e) The revenue of JF Tech Group depend significantly on the continuous business relationship and demand for its product by one of its key customers, SRM Integration (M) Sdn Bhd. The directors believe that the business relationship with this customer will continue throughout the forecast year.

2. Key personnel

The achievability of the forecasted revenue of JF Tech Group will depend primarily with the involvement of one of the Directors namely, Mr. Foong Wei Kuong, who has many years of relevant working experience and in-depth knowledge of the business and his ability to retain customers and to secure future sales.

It is assumed that there will be no significant changes in the key management personnel of JF Tech Group.

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8. FINANCIAL INFORMATION (Cont'd)**3. Technology**

- (a) It is assumed that JF Tech Group will not be adversely affected by changes to technologies affecting the electronic and semi-conductor industries and consequently, changes to the customer demand.
- (b) It is assumed that JF Tech Group will be able to protect their intellectual property rights against any unauthorised third party copying or use which could adversely affect its business and operation results.
4. The acquisitions of JF Tech's proposed subsidiary companies and properties have been completed on 18 January 2008.
5. The Company will complete its Proposed Listing exercise by 16 April 2008. The gross proceeds from the Proposed Public Offering will be utilised as follows:

	Note	RM'000
Part finance the acquisition of land and/or construction of factory	(i)	3,528
Purchase of R&D equipment		2,055
Purchase of manufacturing equipment		2,650
Working capital [#]		4,234
Estimated listing expenses* [#]		1,450
		13,917

Notes:-

* The listing expenses of RM1,450,000 are netted off against the share premium arising from the Public Issue.

The proceeds to be utilised for the working capital will be adjusted accordingly in the event of any variation in the actual listing expenses from their estimated amount.

Note (i)

Before the receipt of proceeds from the Public Issue, part of the acquisition cost of land has been financed using bank borrowings while construction cost may be financed using bank borrowings. Hence, any amount of bank borrowings used for the abovementioned purposes would be repaid using the proceeds from the Public Issue.

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8. FINANCIAL INFORMATION (Cont'd)

B. General Assumption

1. There will be no material changes in the current principal activities, management structure, existing accounting and business policies adopted by JF Tech Group.
2. There will be no significant changes to the prevailing market, economic and political conditions in Malaysia and elsewhere which JF Tech Group operates that will adversely affect the activities or performance of JF Tech Group.
3. There will be no significant changes in the present legislation or government regulations and policies, including tariffs, duties, levies and other taxes, that will adversely affect the activities of JF Tech Group, its operations or the market in which it operates.
4. Inflation and exchange rates of foreign currencies will not change significantly from their present levels.
5. Existing financing facilities will remain available to JF Tech Group at the prevailing interest rates. Additional financing facilities at interest rates approximating to 8% per annum will be readily available to JF Tech Group as and when required.
6. There will be continuity in the existing management and there will be no material changes in the existing accounting, management and operating policies adopted by JF Tech Group.
7. There will be no exceptional occurrences of bad debts.
8. The demand for and prices of the products, sales mix, profit margins and services provided by JF Tech Group as forecasted will not be affected to a material extent by changes in market conditions.
9. There will be no unfavourable or major disruptions in the production facilities arising from industrial disputes, labour shortage, or any abnormal circumstances which will adversely affect the development, production, operation and sales of the products and services of JF Tech Group.
10. There will be no significant changes in the prevailing cost of raw materials, labour, plant and machinery and their incidental costs or overheads which will adversely affect the operations of JF Tech Group.
11. Capital expenditure programmes will be implemented and incurred as scheduled with no material changes in the expected cost or price and there will be no material acquisitions or disposals of property, plant and equipment and investment other than those planned.
12. JF Tech Group will continue to invest in research and development ("R&D") to develop new products as well as upgrade and enhance its existing products and services. Capitalised product development costs is amortised and recognised as an expense on a systematic basis not exceeding 20 years so as to reflect the pattern in which the related economic benefits are recognised.



8. FINANCIAL INFORMATION (Cont'd)

13. All existing licenses and permits granted to JF Tech Group will not be withdrawn and will be renewed upon expiry.
14. There will be no disruption in the supply of raw materials/services by major suppliers that will adversely affect the activities of JF Tech Group.
15. The statutory income tax rate for the forecast financial year is at 26%, and 20% for small and medium companies for the first RM500,000 of chargeable income.
16. There will be no material litigation against JF Tech Group which will adversely affect the activities or performance of JF Tech Group or give rise to any contingent liabilities which will materially affect its financial position or operations.
17. There will be no dividend declared or paid in respect of the ordinary shares of the Company in the period covered by the forecast year.

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 26 February 2008.

On behalf of the Board of Directors


.....
FOONG WEI KUONG
DIRECTOR
JF TECHNOLOGY BERHAD


.....
WANG MEI LING
DIRECTOR
JF TECHNOLOGY BERHAD



9. OTHER INFORMATION CONCERNING OUR GROUP

9.1 LICENCES AND PERMITS

The major licenses and permits held by our Group required for the purposes of conducting our business are listed below:

Company	Type of business/transaction approved	Authority	Date of issuance (Validity period)	Salient Conditions	Status of Compliance
JF Micro	Manufacturing License (No. A016187 and Serial No: A025037)/ for product(s) "Interconnect And Integrated Circuit Test Sockets"	MITI	29.06.2007 (11.04.2007 onwards)	<p>(a) Site: Lot P.T.4159, No.11-A, Jalan SS26/15, Taman Mayang Jaya, Light Industry Park, Mukim Sungai Buloh, Daerah Petaling, 47301 Petaling Jaya, Selangor Darul Ehsan subject to approval from the State Government and the Department of Environment;</p> <p>(b) The sale of any of the company's shares have to be informed to MITI;</p> <p>(c) The company is required to train Malaysian citizens to ensure that the technology and the expertise are channeled to all positions at all levels; and</p> <p>(d) The company is required to carry out projects that are approved and comply with the laws and any other rules that are applicable in Malaysia.</p>	Complied.
					Complied.
					Complied.
					Noted.

9. OTHER INFORMATION CONCERNING OUR GROUP (Cont'd)

Company	Type of business/transaction approved	Authority	Date of issuance (Validity period)	Salient Conditions	Status of Compliance
J Foong	Manufacturing License (No. A016197 and Serial No: A 025055)/ for product(s) "Interconnects"	MITI	05.07.2007 (11.04.2007 onwards)	<p>(a) Site: Lot P.T.4159, No.11-A, Jalan SS26/15, Taman Mayang Jaya, Light Industry Park, Mukim Sungai Buloh, Daerah Petaling, 47301 Petaling Jaya, Selangor Darul Ehsan subject to approval from the State Government and the Department of Environment;</p> <p>(b) The sale of any of the company's shares have to be informed to MITI;</p> <p>(c) The company is required to train Malaysian citizens to ensure that the technology and the expertise are channeled to positions at all levels; and</p> <p>(d) The company is required to carry out projects that are approved and comply with the laws and any other rules that are applicable in Malaysia.</p>	Complied.
JF Micro	Pioneer status for manufacturing of "Interconnect And Integrated Circuit Test Sockets"	MITI	01.04.2006 to 31.03.2011	<p>(a) The expenses incurred for the research and development must be at least 1% of the total estimated yearly sales of the company which is to be incurred latest by the third year of the company's production; and</p> <p>(b) The average staff with degree qualification in science and technical or diploma must have at least five (5) years of experience in the related field and has to be at least 7% of the total workforce of the company.</p>	Complied.
JF Micro	Manufacturer's Licence (No. W10-06000115/2006)	Royal Customs and Excise Malaysia	09.09.2006/Not applicable	To act as a licensed manufacturer from 9 October 2006 at the place known as 29-1 & 29-2, Block F2, Jalan PJU 1/42A, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan for product(s) '9031.41.000 Pogo Pin (Interconnect)'	Complied.

Company No. 747681-H

9. OTHER INFORMATION CONCERNING OUR GROUP (Cont'd)

Company	Type of business/transaction approved	Authority	Date of issuance (Validity period)	Salient Conditions	Status of Compliance
J Foong	Manufacturer's Licence (No. W10-06000214/2006)	Royal Customs and Excise Malaysia	10 November 2006/Not applicable	To act as a licensed manufacturer from 10 November 2006 at the place known as 29-1 & 2, Block F2, Jalan PIU 1/42A, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan for product(s) '9031.41.000 Interconnect'.	Complied.

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9. OTHER INFORMATION CONCERNING OUR GROUP (Cont'd)

9.2 PROPERTIES

The details of land and buildings owned by our Group as at the date of this Prospectus are set out below:

Name of registered owner: Lot. No./Postal address	Description/ Existing use	Approximate age of building (year)/Built- up area (square feet)	Date of issuance of certificate of fitness / statutory completion	Tenure	Restriction in interest	Encumbrances on property	Audited net book value as at 31 October 2007 RM'000	Market value (RM'000)/ Date of valuation
JF Tech ¹ Parcel No. 84, Storey No. 4, Building No. M1-A, on Lot No. 42440, within Pekan Cempaka, District of Petaling, State of Selangor held under Strata Title Geran 46496/M1-A/4/84 Bearing postal address: No. 5-4, Block E2, Jalan PJU 1/42A, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan	An intermediate office lot in a 6-storey shop/office building/Headquarters	8/1,711	21.12.1998	Freehold	None	None	Not applicable RM'000	360/ 18.06.2007
JF Tech ² Parcel No. PS-10B-T, Type: Tiara, Storey No. Nine, Building No. Princess Wing, Tiara Kelana, erected on part of land held under Master Title H.S.(M) 6689, P.T. 131, Mukim of Damansara, District of Kelana Jaya (now within District of Petaling), State of Selangor, together with Accessory Parcel No. A3-11 of Building No. Block A	A 3+1 – bedroom condominium/Manager's apartment	9/1,595	17.08.2006	Leasehold (99 years expiring on 28.01.2092)	The land cannot be transferred, charged or mortgaged without prior approval from the State Authority	None	Not applicable RM'000	260/ 18.06.2007
Bearing postal address: No. 1002, Block A, Tiara Kelana Condominium, No. 1, Jalan SS7/19, Taman Sri Kelana, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan								

9. OTHER INFORMATION CONCERNING OUR GROUP (Cont'd)

Name of registered owner: Lot No./Postal address	Description/ Existing use	Approximate age of building (year)/Built- up area (square feet)	Date of issuance of certificate of fitness / statutory completion	Tenure	Restriction in interest	Encumbrances on property	Audited net book value as at 31 October 2007 RM'000	Market value (RM'000)/ Date of valuation
J Foong Parcel No. 18, Storey No. 1, Building No. M1, on Lot No. 42440, within Pekan Cempaka, District of Petaling, State of Selangor held under Strata Title Geran 46496/M1/1/18 <u>Bearing postal address:</u> No. 29-1, Block F2, Jalan PJU 1/42A, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan	An intermediate ground floor shop lot in a 6-storey shop/office building/R&D facility	8/1,453	21.12.1998	Freehold	Not applicable	Charged to Standard Chartered Bank Malaysia Berhad ⁵	520/ 18.06.2007	
J Foong Parcel No. 136, Storey No. 2, Building No. M1-B, on Lot No. 42440, within Pekan Cempaka, District of Petaling, State of Selangor held under Strata Title Geran 46496/M1-B/2/136 <u>Bearing postal address:</u> No. 29-2, Block F2, Jalan PJU 1/42A, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan	An intermediate office lot in a 6-storey shop/office building/R&D facility	8/1,722	21.12.1998	Freehold	Not applicable	Charged to Standard Chartered Bank Malaysia Berhad ⁵	856 ⁵	360/ 18.06.2007
PKNS (vendor) ⁶ Lot No.6, Jalan Teknologi 3/6, Taman Sains Selangor 1, Kota Damansara	A leasehold land /Industrial	Not applicable/ 92,783*	Not applicable	Leasehold (99 years) ⁷	Not applicable	Absolute assignment in favour of OCBC Bank (Malaysia) Berhad ⁸	4,470**	4,186/ Not applicable

9. OTHER INFORMATION CONCERNING OUR GROUP (Cont'd)

The details of buildings tenanted by our Group as at the date of this Prospectus are set out below:

Name of lessor: Lot. No./Postal address	Description/ Existing use	Approximate age of building (year)/Built-up area (square feet)	Date of issuance of certificate of fitness/statutory completion	Tenure
<p>Dover Bay Sdn Bhd⁹ Lot No. PT 4159, held under Strata Title Geran 79850, Mukim of Sungai Buloh, District of Petaling, State of Selangor</p> <p><u>Bearing postal address:</u> No. 11A, Jalan SS26/15, Taman Mayang Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan</p>	<p>A 2-storey shop/Assembly of electronics</p>	<p>15/4,320</p>	<p>29.11.1991</p>	<p>Period commencing 01.03.2007 and expiring 29.02.2009</p>

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9. OTHER INFORMATION CONCERNING OUR GROUP (Cont'd)

Notes:

- * Land area.
- ** Carrying amount.
- 1 The property was acquired by JF Tech pursuant to the SPA dated 9 July 2007 entered into between JF Tech and Foong Wei Kuong and Wang Mei Ling for a purchase consideration of RM360,000 which was satisfied by the issuance of 3,600,000 JF Tech Shares. The transaction was completed on 18 January 2008 and legal ownership at the property is in the course of being transferred to JF Tech.
- 2 The property was acquired by JF Tech pursuant to the SPA dated 9 July 2007 entered into between JF Tech and Foong Wei Kuong and Wang Mei Ling for a purchase consideration of RM260,000 which was satisfied by the issuance of 2,600,000 JF Tech Shares. The transaction was completed on 18 January 2008 and legal ownership at the property is in the course of being transferred to JF Tech.
- 3 A first party National Land Code charge for RM415,234.30.
- 4 A first party National Land Code charge for RM256,208.40.
- 5 There is a revaluation surplus of approximately RM123,000 on the two said properties of J Foong over the net book value of them as at 30 June 2006. It was incorporated in the books of J Foong for financial year ended 30 June 2007. The above valuations on the two said properties do not require the approval of the SC.
- 6 The land has been acquired by JF Micro pursuant to a SPA dated 19 April 2007 with PKNS for a purchase consideration of RM4,186,194.00. On 18 September 2007, JF Micro had paid the full purchase price to PKNS and the purchase was completed.
- 7 The exact expiry date of the leasehold land is not determinable at this stage as the issue document of title has not been issued.
- 8 Pursuant to a facilities agreement dated 15 August 2007 from OCBC Bank (Malaysia) Berhad and a deed of assignment dated 15 August 2007, the SPA dated 19 April 2007 was assigned by JF Micro to OCBC Bank (Malaysia) Berhad, pending the creation of a legal charge over the property namely, Lot No.6, Jalan Teknologi 3/6, Taman Sains Selangor 1, Kota Damansara which is in turn pending issuance of the issue document of title in respect of the aforementioned property.
- 9 Pursuant to the tenancy agreement dated 1 March 2007 entered into between Dover Bay Sdn Bhd (Company No. 535115-D) ("the Landlord") and JF Micro for a period of two (2) years, commencing from 1 March 2007 and expiring on 29 February 2009 with an option to renew for a further one (1) year and monthly rental of RM4,300.
- In a tenancy agreement dated 1 March 2007 entered into between JF Micro and J Foong, JF Micro had sub-tenanted half of the abovementioned rented premise to J Foong for a period of two (2) years, commencing from 1 March 2007 and expiring on 29 February 2009 with an option to renew for a further one (1) year at a monthly rental of RM2,150. The Landlord of the abovementioned rented premise have provided its consent via a letter dated 7 June 2007 to JF Micro for the subletting of part of the abovementioned rented premise to J Foong.

9.2.1 All of the properties disclosed above are not in breach of any land use conditions and/or is in material non-compliance with current statutory requirements, land rules or building regulations.

9.2.2 All the properties owned by our Group acquired within the two (2) years preceding the date of this Prospectus are as follows:

Name of registered owner or lessor: Lot No./Postal address	Date of SPA	Date of completion	Purchase consideration RM'000
Lot No.6, Jalan Teknologi 3/6, Taman Sains Selangor 1, Kota Damansara	19.04.2007	18.09.2007	4,186
Parcel No. 84, Storey No. 4, Building No. M1-A, on Lot No. 42440, within Pekan Cempaka, District of Petaling, State of Selangor held under Strata Title Geran 46496/M1-A/4/84 <u>Bearing postal address:</u> No. 5-4, Block E2, Jalan PJU 1/42A, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan	09.07.2007	18.01.2008	360

9. OTHER INFORMATION CONCERNING OUR GROUP (Cont'd)

Name of registered owner or lessor: Lot. No./Postal address	Date of SPA	Date of completion	Purchase consideration RM'000
Parcel No. PS-10B-T, Type: Tiara, Storey No. Nine, Building No. Princess Wing, Tiara Kelana, erected on part of land held under Master Title H.S.(M) 6689, P.T. 131, Mukim of Damansara, District of Kelana Jaya (now within District of Petaling), State of Selangor, together with Accessory Parcel No. A3-11 of Building No. Block A <u>Bearing postal address:</u> No. 1002, Block A, Tiara Kelana Condominium, No. 1, Jalan SS7/19, Taman Sri Kelana, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan	09.07.2007	18.01.2008	260

9.3 PLANT AND EQUIPMENT

The details of the material plant and equipment used by our Group as at 31 October 2007 are set out below:

Description	Capacity	Net book value as at 31 October 2007 RM'000
Stamping machine	6,695 pieces per 525 minutes	11
Grinding machine	660 pieces per 525 minutes	8
Hardening machine	400 pieces per 525 minutes	19
Smartscope	4,410 pieces per 525 minutes	69
Bending press machine	18,318 pieces per 525 minutes	14
Ultrasonic cleaning machine	3,500 pieces per 525 minutes	2
Deburring machine	3,500 pieces per 525 minutes	23
Brazing machine	1,182 pieces per 525 minutes	5
Burn in oven	2,100 pieces per 525 minutes	7
Trimming press machine	15,265 pieces per 525 minutes	7
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