

CREATIVE MASTER NORTHCORD LIMITED

CMNL CONSULTATION EXERCISE

During the last 6 months CMNL has become increasingly very aware of the financial pressures on collectors' wallets.

Because the cost of raw materials has fluctuated, but has mainly increased, and because the cost of employing the many people who are involved in manufacturing our collectibles has also increased greatly, CMNL is looking at ways of entering a period of cost saving.

CMNL would like to know the views of those who retail or distribute our products and the views of those who purchase our products. Below, we would like to outline our possible options.

Whilst it is unlikely that these options would result in a price reduction, we would hope that they would slow down the rate at which prices may have to rise to meet the rising production costs.

Contacting us:

CMNL has set up a separate e-mail address for you, our valued retailers, distributors and customers, to contact us with your views on how we might be able to achieve cost-saving through simplified packaging, yet without reducing detail and accuracy of the actual models that we produce.

If you would like to make your views known to us, please write directly to the following e-mail address, or you can write by hand to our postal address.

CMNL WILL NOT USE YOUR E-MAIL OR HOUSE ADDRESS FOR ANY PURPOSE WHATSOEVER, AND YOUR ANONIMITY IS ASSURED THROUGHOUT.

Contact details:

Contact us by e-mail: cmnl_consultation@yahoo.com

Contact us by letter: CMNL Consultation,
c/o Creative Master Northcord Limited
Flat D, 3/F,
Yeung Yiu Chung (No 8) Ind. Bldg.,
20 Wang Hoi Road,
Kowloon Bay,
Hong Kong

Below, we set out ways in which we might be able to save on production costs and this mainly involves using less detailed packaging and individually numbered certificates. We would like to know if our valued retailers and collectors would prefer us to continue to provide the current style, or if you would prefer us to offer a more basic packaging.

Limited Edition Certificates:

CMNL can make a saving in preparation, printing and production costs by discontinuing the practice of having an individually numbered Limited Edition Certificate attached to the underside of the model plinth.

Our option may be to print detail of the size of the production run onto the plinth, but without indicating a number by the "counter" system that we use at present – for example 0001 out of 1200 models produced, 0002 out of 1200 models produced etc.

Please write with your opinion on what you prefer.

Discrete cardboard outer packaging:

CMNL knows that many collectors immediately throw away the packaging material and limited edition certificates because they do not have enough space for storing model boxes and packaging, yet, for others, the CMNL discrete model packaging is a very important part of the CMNL brand because it gives each model a distinctive and individual face.

We also know that this is a practice that many retailers like because they can identify each individual model easily.

However, the preparation cost in making our special brand of discrete packaging is expensive through the employment of the design company that undertakes this work. In addition, the printing costs of the multi-colour packaging that can add a significant amount to the production cost of the models as well as being anti-environmentally friendly.

We believe that we should continue to protect our models using the clear plastic acrylic box and plinth that we currently use. We believe it offers a way to display models that is attractive to retailers and collectors, yet preserving the precious model inside from dust or from damage and also ensuring the many small parts are safe from harming young children.

Our options are:

1. Continue to produce our discrete packaging for all models
2. Produce a box that has an identifying “theme” similar to the Japan Bus range – with a photograph of the subject of the model and a short description or history of the bus
3. Produce a box that has an identifying “theme” similar to the Japan Bus range but without having an individual photograph or description of the history of the bus that is modelled
4. Produce one standard box for all products irrespective of marketplace and place a small sticker on the ends of the cardboard outer with the product code and name.

Please write with your opinion on what you prefer.

Important note:

These proposals would only apply to models that are initiated by CMNL and would not apply to Commissioned Models – these would have numbered Limited Edition certificates and discrete packaging as is standard.

Please make your thoughts available to us by e-mail or by letter and this consultation period will end on **30th April 2009**.

Danny C Y CHAN
General Manager
Creative Master Northcord Limited

Creative Master Northcord Limited (CMNL)
-----The World’s Miniature Bus Co.