

CDW HOLDING LIMITED

The initial public offering of the company's shares was sponsored by DBS Bank Ltd.

**Unaudited Half Year Financial Statements And Dividend Announcement for the Six Months / Second Quarter Ended 30 June 2005**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

- 1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

**CONSOLIDATED PROFIT & LOSS STATEMENT**  
For the period ended 30 June 2005

	Note	Three months / second quarter ended 30 June			Six months / half year ended 30 June		
		2005 US\$'000	2004 US\$'000	% Increase/ (Decrease)	2005 US\$'000	2004 US\$'000	% Increase/ (Decrease)
Revenue		20,256	29,307	(30.9)%	44,672	45,403	(1.6)%
Cost of sales		(15,672)	(21,514)	(27.2)%	(34,385)	(33,054)	4.0 %
Gross profit		4,584	7,793	(41.2)%	10,287	12,349	(16.7)%
Other operating income		226	20	1,030.0 %	675	93	625.8 %
Distribution expenses		(339)	(456)	(25.7)%	(847)	(659)	28.5 %
Administrative expenses		(2,097)	(1,969)	6.5%	(4,235)	(3,688)	14.8 %
Profit from operations	1	2,374	5,388	(55.9)%	5,880	8,095	(27.4)%
Finance costs		(66)	(66)	-	(157)	(117)	34.2 %
Profit before income tax		2,308	5,322	(56.6)%	5,723	7,978	(28.3)%
Income tax expense		(208)	(671)	(69.0)%	(611)	(954)	(36.0)%
Profit after income tax		2,100	4,651	(54.8)%	5,112	7,024	(27.2)%

**Note 1**

Profit from operations has been arrived at after charging / crediting:

	Three months / second quarter ended 30 June		Six months / half year ended 30 June	
	2005 US\$'000	2004 US\$'000	2005 US\$'000	2004 US\$'000
Depreciation expense	485	417	924	794
Gain on disposal of property, plant and equipment	-	(3)	-	(1)
Net foreign exchange gain / (loss) (Note a)	(43)	(93)	302	(95)

Note a: The balance comprises mainly realized gain on the conversion of non-US bank balances into United State dollars in the first quarter.

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

**BALANCE SHEET**  
As at 30 June 2005

	The Group		The Company	
	As at 30 June 2005 US\$'000	As at 31 December 2004 US\$'000	As at 30 June 2005 US\$'000	As at 31 December 2004 US\$'000
<b><u>ASSETS</u></b>				
<b>Current Assets:</b>				
Cash and bank balances	22,153	13,517	5,318	-
Fixed deposit (Note)	1,930	3,217	-	-
Trade receivable, other receivables and prepayments	17,663	21,318	1	-
Dividend receivable	-	-	1,400	-
Inventories	6,455	5,799	-	-
<b>Total current assets</b>	<b>48,201</b>	<b>43,851</b>	<b>6,719</b>	<b>-</b>
<b>Non-current assets</b>				
Investments in subsidiaries	-	-	18,360	18,360
Other receivables	-	-	5,911	6,050
Properties, plant and equipment	10,591	9,820	-	-
<b>Total non-current assets</b>	<b>10,591</b>	<b>9,820</b>	<b>24,271</b>	<b>24,410</b>
<b>Total assets</b>	<b>58,792</b>	<b>53,671</b>	<b>30,990</b>	<b>24,410</b>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>				
<b>Current liabilities</b>				
Bank borrowings – amount due within one year	1,932	8,338	-	-
Trade payable, other payables and accruals	10,262	16,784	5,499	14,768
Current portion of obligations under finance leases	95	101	-	-
Income tax payable	262	785	-	-
<b>Total current liabilities</b>	<b>12,551</b>	<b>26,008</b>	<b>5,499</b>	<b>14,768</b>
<b>Non-current liabilities</b>				
Bank borrowings – amount due after one year	2,064	2,840	-	-
Obligations under finance leases	166	227	-	-
Deferred tax liability	132	132	-	-
<b>Total non-current liabilities</b>	<b>2,362</b>	<b>3,199</b>	<b>-</b>	<b>-</b>
<b>Shareholders' equity</b>				
Issued capital	9,760	8,000	9,760	8,000
Reserves	34,119	16,464	15,731	1,642
<b>Total shareholders' equity</b>	<b>43,879</b>	<b>24,464</b>	<b>25,491</b>	<b>9,642</b>
<b>Total liabilities and shareholders' equity</b>	<b>58,792</b>	<b>53,671</b>	<b>30,990</b>	<b>24,410</b>

Note: As at 30 June 2005, the Group's fixed deposit of approximately US\$1.9million (31 December 2004: US\$3.2million) were pledged to banks to secure bank loans granted to the Group.

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

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

	As at 30 June 2005		As at 31 December 2004	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
<b>Bank Borrowings</b>	<b>1,550</b>	<b>382</b>	<b>5,082</b>	<b>3,256</b>
<b>Obligations under finance leases</b>	<b>95</b>	<b>-</b>	<b>101</b>	<b>-</b>
<b>Total</b>	<b>1,645</b>	<b>382</b>	<b>5,183</b>	<b>3,256</b>

**Amount repayable after one year**

	As at 30 June 2005		As at 31 December 2004	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
<b>Bank Borrowings</b>	<b>2,064</b>	<b>-</b>	<b>2,840</b>	<b>-</b>
<b>Obligations under finance leases</b>	<b>166</b>	<b>-</b>	<b>227</b>	<b>-</b>
<b>Total</b>	<b>2,230</b>	<b>-</b>	<b>3,067</b>	<b>-</b>

**Details of any collateral**

As at 30 June 2005, the Group's fixed deposit of approximately US\$1.9 million (31 December 2004: US\$ 3.2million), plant and machinery with net book value of approximately US\$0.9 million (31 December 2004: US\$1.0 million) were pledged to banks to secure bank loans granted to the Group.

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

<b>CONSOLIDATED CASH FLOW STATEMENT</b>				
<b>For the period ended 30 June 2005</b>				
	<b>The Group</b>			
	<b>Three months / second quarter ended 30 June</b>		<b>Six months / half year ended 30 June</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>CASH FROM OPERATING ACTIVITIES</b>				
Net income before taxes	2,308	5,322	5,723	7,978
Adjustments for				
Provision for doubtful debts	29	-	29	-
Provision for slow moving stock	48	-	48	-
Depreciation	485	417	924	794
Interest income	(99)	(8)	(136)	(18)
Interest expenses	66	81	157	117
Gain on disposal of properties, plant and equipment	-	(3)	-	(1)
<b>Operating profit before working capital changes</b>	<b>2,837</b>	<b>5,809</b>	<b>6,745</b>	<b>8,870</b>
Trade receivable, other receivables and prepayments	303	(8,683)	3,626	(10,263)
Inventories	(934)	(1,454)	(705)	(3,149)
Trade payable, other payables and accruals	(1,963)	4,158	(6,501)	5,476
<b>Net cash from operating activities</b>	<b>243</b>	<b>(170)</b>	<b>3,165</b>	<b>934</b>
Income tax paid	(1,106)	(293)	(1,134)	(408)
<b>Net cash from / (used in) operating activities</b>	<b>(863)</b>	<b>(463)</b>	<b>2,031</b>	<b>526</b>
<b>CASH FROM INVESTING ACTIVITIES</b>				
Proceeds from disposal of properties, plant and equipment	5	-	5	364
Purchase of properties, plant and equipment	(1,205)	(1,177)	(1,700)	(1,751)
Interest income received	99	8	137	18
<b>Net cash used in investing activities</b>	<b>(1,101)</b>	<b>(1,169)</b>	<b>(1,558)</b>	<b>(1,369)</b>
<b>CASH FROM FINANCING ACTIVITIES</b>				
Proceeds from bank borrowings	-	5,980	3,732	8,641
Repayment of obligations under finance leases	(31)	(33)	(63)	(51)
Repayment of bank borrowings	(765)	(2,871)	(10,902)	(5,382)
Decrease in secured fixed deposit	-	-	1,286	-
Advance to related party	-	(2,753)	-	(2,753)
Interest paid	(66)	(81)	(157)	(117)
Dividend paid	(3,040)	-	(3,061)	-
Net proceeds from issue of new shares	-	-	17,342	-
<b>Net cash from / (used in) financing activities</b>	<b>(3,902)</b>	<b>242</b>	<b>8,177</b>	<b>338</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,866)</b>	<b>(1,390)</b>	<b>8,650</b>	<b>(505)</b>
<b>EFFECT OF CURRENCY TRANSLATION</b>	<b>48</b>	<b>-</b>	<b>(14)</b>	<b>6</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>27,971</b>	<b>10,365</b>	<b>13,517</b>	<b>9,474</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>22,153</b>	<b>8,975</b>	<b>22,153</b>	<b>8,975</b>

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

	<b>Issued capital of the company</b>	<b>Share premium of the company</b>	<b>Merger reserve</b>	<b>Reserve Fund</b>	<b>Enterprise Expansion Fund</b>	<b>Currency translation reserve</b>	<b>Accumulated profits</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Balance as at 1 January 2004	8,000	1,642	(7,020)	229	302	64	13,237	16,454
Profit for the period	-	-	-	-	-	-	2,373	2,373
Currency translation differences	-	-	-	-	-	6	-	6
Balance as at 31 March 2004	8,000	1,642	(7,020)	229	302	70	15,610	18,833
Profit for the period	-	-	-	-	-	-	4,651	4,651
Transfer during the period	-	-	-	501	-	-	(501)	-
Balance as at 30 June 2004	8,000	1,642	(7,020)	730	302	70	19,760	23,484

	<b>Issued capital of the company</b>	<b>Share premium of the company</b>	<b>Merger reserve</b>	<b>Reserve Fund</b>	<b>Enterprise Expansion Fund</b>	<b>Currency translation reserve</b>	<b>Accumulated profits</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Balance as at 1 January 2005	8,000	1,642	(7,020)	387	302	-	21,153	24,464
Profit for the period	-	-	-	-	-	-	3,012	3,012
New issue of shares	1,760	15,584	-	-	-	-	-	17,344
Currency translation differences	-	-	-	-	-	(41)	-	(41)
Balance as at 31 March 2005	9,760	17,226	(7,020)	387	302	(41)	24,165	44,779
Profit for the period	-	-	-	-	-	-	2,100	2,100
Currency translation differences	-	-	-	-	-	40	-	40
Dividend	-	-	-	-	-	-	(3,040)	(3,040)
Balance as at 30 June 2005	9,760	17,226	(7,020)	387	302	(1)	23,225	43,879

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

As at 31 December 2004, the Company's issued and fully paid up share capital was US\$8,000,000 represented by 400,000,000 ordinary shares of US\$0.02 each. In January 2005, the Company issued 88,000,000 ordinary shares of US\$0.02 each pursuant to the initial public offering. Accordingly, as at 30 June 2005, the Company's issued and fully paid up share capital was US\$9,760,000 represented by 488,000,000 ordinary shares of US\$0.02 each.

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed by the independent auditors.

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

Not applicable.

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

The accounting policies and methods of computation adopted for the current reporting period are consistent with the most recently audited financial statements except the Group has adopted all the applicable new and revised International Financial Reporting Standards ("IFRS") which became effective during the period.

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

The adoption of those new and revised IFRSs did not result in significant changes to the financial results of the Group and the Company.

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

Earnings per ordinary share for the periods based on profit attributable to shareholders on 1(a) above	Three months / second quarter ended 30 June		Six months / half year ended 30 June	
	2005	2004	2005	2004
		(Note)		
Based on weighted average number of ordinary shares in issue (US cents)				
-Basic	0.43	1.16	1.07	1.76
-Fully diluted	0.43	1.16	1.07	1.76
Weighted average number of ordinary shares	488,000,000	400,000,000	476,331,492	400,000,000

Note: The calculation of earnings per ordinary share is based on pre-invitation number of shares.

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

	30 June 2005	31 December 2004
		(Note)
Net assets value per ordinary share (US cents)		
- The Group	8.99	6.12
- The Company	5.22	2.41

Note: The calculation of net asset value per ordinary share is based on pre-invitation number of shares.

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

**A. Profit and Loss**

The Group reported its financial results for the first half of 2005 with sales of US\$44.7 million, operating profit of US\$5.9 million and net profit of US\$5.1 million, representing declines of 1.6%, 27.4% and 27.2% respectively as compared with the first half of 2004.

The Group went through a tough second quarter in 2005 due to the increasing pricing pressure from customers and a temporary slow down of the LCD backlight units business. As a result, Group sales and net profit for the three months from 1 April to 30 June 2005 dropped significantly by 30.9% and 54.8% respectively compared to the second quarter in 2004.

LCD backlight units division recorded sales of US\$18.8 million for the first half of 2005, representing a slight decline of 3.8% compared to the first half of 2004. Increasing pressures from the customers on the ASP and further delays in new orders caused our operating margin to dwindle to 10.0% in the first half of 2005 compared to 21.8% in the first half of 2004. Conditions had however improved slightly from the 8.9% recorded in the first quarter of 2005 because of the increasing share of higher margin products in the second quarter.

Precision accessories manufacturing division recorded sales of US\$8.0 million for the first half of 2005, representing a solid growth of 32.0% compared to the first half of 2004. Facing keen competition, further discounts were given to maintain business growth which resulted in a decline of our operating margin to 25.9% in the first half of 2005 compared to 28.3% in the first half of 2004.

The frame products division recorded sales of US\$9.8 million for the first half of 2005, representing an impressive 125.8% increase compared to the first half of 2004. The robust increase in revenue in the first quarter of 2005 slowed down in the second quarter as the outstanding orders from 2004 had been completed. Operating margin declined to 21.4% in the first half of 2005 compared to 26.3% in the first half of 2004 as the new products commanded lower margins and further discounts were required to maintain the growth of business.

Our trading division recorded sales of US\$8.1 million for the first half of 2005, representing a significant decline of 47.6% compared to the first half of 2004. However, it continued to provide a reasonable profit contribution to the Group in the first half of 2005 buoyed by growth in the second quarter of 2005.

Distribution expenses rose 28.5% to US\$0.85 million in the first half of 2005 supporting the increasing sales to overseas markets.

Administrative expenses rose a modest 14.8% to US\$4.2million in the first half of 2005 as additional expenditure were incurred for business expansion and the listing of the Group.

Finance cost was maintained a low US\$0.16 million in the first half of 2005 and was consistent with the low debt position of the Group.

## **B. Balance Sheet**

As at 30 June 2005, the Group had net cash of US\$24.1million. Total assets and liabilities stood at US\$58.8million and US\$14.9million respectively. Inventory and trade and other receivables decreased by US\$3.0million from US\$27.1million as at 31 December 2004 to US\$24.1million as at 30 June 2005. Meanwhile, trade and other payables decreased by US\$6.5million from US\$16.8million as at 31 December 2004 to US\$10.3million as at 30 June 2005.

Bank borrowings were reduced by US\$7.2million from US\$11.5million as at 31 December 2004 to US\$4.3million as at 30 June 2005.

Total shareholders' equity was US\$43.9million as at 30 June 2005 compared to US\$24.5million as at 31 December 2004, representing an increase of US\$19.4million.

The Group's net asset value per share was hence increased to 8.99 US cents as at 30 June 2005 from 6.12 US cents as at 31 December 2004.

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

There was no forecast or prospect statement issued in the first quarter results for the current reporting period.



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

The industries we operate in are highly competitive. While the second quarter performance was less-than-satisfactory, we believe it is only a short term phenomenon and fundamentals underlying our growth potential remain intact. Our Group will continue to strengthen our business strategies in view of the rapidly evolving market landscape, by enhancing our competitiveness and responsiveness, diversifying our product range and expanding our customer base.

Business growth will specifically come from LCD BLUs for new models of handsets and other IT equipment to be launched in the latter part of this year. In addition, the new Dongguan plant commencing operations in the second half of the year will contribute to our growth. However, our operating margins face increasing pressures due to the mild appreciation of the Renminbi, pricing pressures from clients and the initial setup costs of the Dongguan factory.

**11. Dividend**

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

Any dividend declared for the current financial period reported on? Yes.

Name of Dividend	:	Interim
Dividend Type	:	Cash
Dividend amount per share (in cents)	:	0.4 US cent per ordinary share
Tax rate	:	Tax not applicable

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

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

**(c) Date payable**

The proposed interim dividend will be paid on 23 September 2005.

**(d) Books closure date**

NOTICE IS HEREBY GIVEN that the Share Transfer books and Register of Members of the Company will be closed on 6 September, 2005 on which day no share transfer will be effected. Duly completed transfers received by the Company's Share Transfer Agent, Lim Associates (Private) Limited of 10 Collyer Quay#19-08 Ocean Building Singapore 049315 up to the close of business at 5.00p.m. on 5 September, 2005 will be registered to determine shareholders' entitlements to the dividend.

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

Not applicable.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

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

**Primary reporting format-Business Segments – 2005**

**CDW Holding Limited**

**Business segment for the six months / half year ended 30 June 2005**

	<b>Parts trading</b>	<b>LCD backlight units</b>	<b>Precision accessories</b>	<b>LCD frames</b>	<b>Eliminations</b>	<b>Consolidated</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b><u>Revenue</u></b>						
External sales	8,111	18,801	8,002	9,758		44,672
Inter-segment sales	1,113	93	1,126	321	(2,653)	-
<b>Total revenue</b>	<b>9,224</b>	<b>18,894</b>	<b>9,128</b>	<b>10,079</b>	<b>(2,653)</b>	<b>44,672</b>
<b><u>Results</u></b>						
Segment result	203	1,875	2,071	2,093		6,242
Unallocated corporate expenses						(498)
<b>Operating profit</b>						<b>5,744</b>
Interest income						136
Interest expenses						(157)
<b>Profit before income tax</b>						<b>5,723</b>
Income tax						(611)
<b>Profit after income tax</b>						<b>5,112</b>
<b><u>Assets</u></b>						
Segment assets	18,929	19,998	7,615	13,763	(7,238)	53,067
Unallocated assets						5,725
<b>Total assets</b>						<b>58,792</b>
<b><u>Liabilities</u></b>						
Segment liabilities	10,121	3,895	1,324	2,052	(7,238)	10,154
Bank borrowings and obligations under finance leases						4,257
Unallocated liabilities						502
<b>Total liabilities</b>						<b>14,913</b>
<b><u>Other information</u></b>						
Capital expenditure	47	108	165	1,380		1,700
Depreciation of properties, plant and equipment	75	370	203	276		924

**Primary reporting format-Business Segments – 2004**

**CDW Holding Limited**

**Business segment for the six months / half year ended 30 June 2004**

	<b>Parts trading</b>	<b>LCD backlight units</b>	<b>Precision accessories</b>	<b>LCD frames</b>	<b>Eliminations</b>	<b>Consolidated</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b><u>Revenue</u></b>						
External sales	15,466	19,552	6,063	4,322	-	45,403
Inter-segment sales	11	14	276	355	(656)	-
<b>Total revenue</b>	<b>15,477</b>	<b>19,566</b>	<b>6,339</b>	<b>4,677</b>	<b>(656)</b>	<b>45,403</b>
<b><u>Results</u></b>						
Segment result	956	4,267	1,716	1,138		8,077
Interest income						18
Interest expenses						(117)
Profit before income tax						7,978
Income tax						(954)
Profit after income tax						7,024
<b><u>Assets</u></b>						
Segment assets	15,090	15,791	6,865	9,092	(1,187)	45,651
Unallocated assets						635
<b>Total assets</b>						<b>46,286</b>
<b><u>Liabilities</u></b>						
Segment liabilities	10,174	6,096	1,167	2,312	(1,187)	18,562
Bank borrowings and obligations under finance leases						6,404
Unallocated liabilities						4,648
<b>Total liabilities</b>						<b>29,614</b>
<b><u>Other information</u></b>						
Capital expenditure	788	438	39	486		1,751
Depreciation of properties, plant and equipment	115	355	153	171		794

## GROUP SEGMENTAL REPORTING

### Secondary reporting format – Geographical Segments

	Turnover		Total Assets		Capital Expenditure	
	Six months / half year ended 30 June		Six months / half year ended 30 June		Six months / half year ended 30 June	
	2005 US\$'000	2004 US\$'000	2005 US\$'000	2004 US\$'000	2005 US\$'000	2004 US\$'000
<b>Hong Kong</b>	11,459	15,469	19,707	15,254	47	788
<b>PRC</b>	21,590	25,977	39,085	31,032	1,653	963
<b>Japan</b>	11,573	3,916	-	-	-	-
<b>Others</b>	50	41	-	-	-	-
<b>Total</b>	44,672	45,403	58,792	46,286	1,700	1,751

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

Please refer to paragraph 8 for the factors leading to any material changes in contribution to turnover and earnings by the business segments. In terms of geographical segments, the Group continues to focus on production in PRC. Sales to entities located in PRC decreased moderately by 16.9% to US\$21.6 million for the first half 2005 as compared to the previous corresponding period, which accounted for 48.3% of the total sales for the first half 2005. Sales to Japan increased by 195.5% to US\$11.6 million for the first half 2005 as compared to the previous corresponding period, which accounted for 25.9% of the total sales for the first half 2005. The total assets located in PRC increased by 26.0% from US\$31.0 million as at 30 June 2004 to US\$39.1 million as at 30 June 2005.

During the first half 2005, the Group invested a total capital expenditure of US\$1.65 million in the production facilities in PRC as compared to that of US\$0.05 million in Hong Kong.

15. **A breakdown of sales**

	<b>Six months / half year ended 30 June</b>		
	<b>2005 US\$'000</b>	<b>2004 US\$'000</b>	<b>% Increase / (Decrease)</b>
Sales reported for the first quarter	24,416	16,096	51.7%
Sales reported for the second quarter	20,256	29,307	(31.0%)
Operating profit after tax for the first quarter	3,012	2,373	26.9%
Operating profit after tax for the second quarter	2,100	4,651	(54.8%)

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

Not applicable.

17. **Interested person transactions for the six months ended 30 June 2005**

<b>Name of interested person</b>	<b>Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,00 and transactions conducted under shareholders' mandate pursuant to Rule 920)</b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to rule 920 (excluding transactions less than S\$100,000)</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Purchase of raw materials and semi-finished goods from Japan Tomoike	-	10,737
Assembly of LCD backlight units and its related components and precision accessories for office and electrical appliances to Japan Tomoike	-	11,263
<b>Total</b>	-	22,000

**BY ORDER OF THE BOARD**

Lai Shi Hong Edward

Executive Director

10 August 2005