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**Unaudited Third Quarter Financial Statements And Dividend Announcement for the Nine Months / Third Quarter Ended 30 September 2005**


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**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 September 2005**

	Note	Three months / third quarter ended 30 September			Nine months ended 30 September		
		2005 US\$'000	2004 US\$'000	% Increase/ (Decrease)	2005 US\$'000	2004 US\$'000	% Increase/ (Decrease)
Revenue		30,674	27,091	13.2%	75,346	72,494	3.9%
Cost of sales		(24,826)	(20,287)	22.4%	(59,211)	(53,341)	11.0%
Gross profit		5,848	6,804	(14.1%)	16,135	19,153	(15.8%)
Other operating income		291	22	1,222.7%	966	115	740.0%
Distribution expenses		(808)	(391)	106.6%	(1,654)	(1,049)	57.7%
Administrative expenses		(2,550)	(1,891)	34.8%	(6,786)	(5,580)	21.6%
Finance costs		(66)	(61)	8.2%	(224)	(178)	25.8%
Profit before income tax	1	2,715	4,483	(39.4%)	8,437	12,461	(32.3%)
Income tax expense		(272)	(385)	(29.4%)	(882)	(1,339)	(34.1%)
Profit after income tax		2,443	4,098	(40.4%)	7,555	11,122	(32.1%)

**Note 1**

Profit before income tax has been arrived at after charging / crediting:

	Three months / third quarter ended 30 September		Nine months ended 30 September	
	2005 US\$'000	2004 US\$'000	2005 US\$'000	2004 US\$'000
Depreciation expense	570	370	1,494	1,164
Doubtful debt allowance (written back)	(29)	-	-	-
Gain on disposal of property, plant and equipment	(8)	(11)	(8)	(12)
Interest income	(67)	(10)	(204)	(28)
Net foreign exchange loss / (gain) (Note (a))	31	74	(272)	169
Stock obsolescence allowance	141	-	190	-

Note (a): The foreign currency exchange gain in the nine months ended 30 September 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 September 2005

	The Group		The Company	
	As at 30 September 2005 US\$'000	As at 31 December 2004 US\$'000	As at 30 September 2005 US\$'000	As at 31 December 2004 US\$'000
<b><u>ASSETS</u></b>				
<b>Current Assets:</b>				
Cash and bank balances	19,003	13,517	890	-
Fixed deposit (Note (b))	1,933	3,217	-	-
Trade receivable	30,113	18,789	-	-
Other receivables and prepayments	2,313	2,529	-	-
Dividend receivable	-	-	6,040	-
Tax recoverable	23	-	-	-
Inventories	7,821	5,799	-	-
<b>Total current assets</b>	<b>61,206</b>	<b>43,851</b>	<b>6,930</b>	<b>-</b>
<b>Non-current assets</b>				
Investments in subsidiaries	-	-	9,642	18,360
Other receivables (Note (c))	-	-	11,646	6,050
Properties, plant and equipment	11,772	9,820	-	-
<b>Total non-current assets</b>	<b>11,772</b>	<b>9,820</b>	<b>21,288</b>	<b>24,410</b>
<b>Total assets</b>	<b>72,978</b>	<b>53,671</b>	<b>28,218</b>	<b>24,410</b>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>				
<b>Current liabilities</b>				
Bank borrowings – amount due within one year	1,754	8,338	-	-
Trade payable	21,696	13,879	-	-
Other payables and accruals	2,173	2,905	253	14,768
Current portion of obligations under finance leases	90	101	-	-
Income tax payable	356	785	-	-
<b>Total current liabilities</b>	<b>26,069</b>	<b>26,008</b>	<b>253</b>	<b>14,768</b>
<b>Non-current liabilities</b>				
Bank borrowings – amount due after one year	1,677	2,840	-	-
Obligations under finance leases	136	227	-	-
Deferred tax liability	132	132	-	-
<b>Total non-current liabilities</b>	<b>1,945</b>	<b>3,199</b>	<b>-</b>	<b>-</b>
<b>Shareholders' equity</b>				
Issued capital	9,760	8,000	9,760	8,000
Reserves	35,204	16,464	18,205	1,642
<b>Total shareholders' equity</b>	<b>44,964</b>	<b>24,464</b>	<b>27,965</b>	<b>9,642</b>
<b>Total liabilities and shareholders' equity</b>	<b>72,978</b>	<b>53,671</b>	<b>28,218</b>	<b>24,410</b>

Note (b): As at 30 September 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.

Note (c): Other receivables represented long-term receivable from group companies.

**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 September 2005		As at 31 December 2004	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
<b>Bank Borrowings</b>	1,557	197	5,082	3,256
<b>Obligations under finance leases</b>	90	-	101	-
<b>Total</b>	<b>1,647</b>	<b>197</b>	<b>5,183</b>	<b>3,256</b>

**Amount repayable after one year**

	As at 30 September 2005		As at 31 December 2004	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
<b>Bank Borrowings</b>	1,677	-	2,840	-
<b>Obligations under finance leases</b>	136	-	227	-
<b>Total</b>	<b>1,813</b>	<b>-</b>	<b>3,067</b>	<b>-</b>

Details of any collateral :-

As at 30 September 2005, the Group's fixed deposit of approximately US\$1.9million (31 December 2004: US\$ 3.2million), and plant and machinery with net book value of approximately US\$0.9million (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 September 2005</b>				
	<b>The Group</b>			
	<b>Three months / third quarter ended 30 September</b>		<b>Nine months ended 30 September</b>	
	<b>2005 US\$'000</b>	<b>2004 US\$'000</b>	<b>2005 US\$'000</b>	<b>2004 US\$'000</b>
<b>CASH FROM OPERATING ACTIVITIES</b>				
Net income before taxes	2,715	4,483	8,437	12,461
Adjustments for				
Reversal of provision for doubtful debts	(29)	-	-	-
Provision for slow moving stock	141	-	190	-
Depreciation	570	370	1,494	1,164
Interest income	(67)	(10)	(204)	(28)
Interest expenses	66	61	224	178
Gain on disposal of properties, plant and equipment	(8)	(11)	(8)	(12)
<b>Operating profit before working capital changes</b>	<b>3,388</b>	<b>4,893</b>	<b>10,133</b>	<b>13,763</b>
Trade receivable, other receivables and prepayments	(14,734)	(4,388)	(11,108)	(14,651)
Inventories	(1,507)	1,626	(2,212)	(1,523)
Trade payable, other payables and accruals	13,608	(2,238)	7,107	3,237
<b>Net cash from / (used in) operating activities</b>	<b>755</b>	<b>(107)</b>	<b>3,920</b>	<b>826</b>
<b>Income tax paid</b>	<b>(254)</b>	<b>(452)</b>	<b>(1,388)</b>	<b>(860)</b>
<b>Net cash from / (used in) operating activities</b>	<b>501</b>	<b>(559)</b>	<b>2,532</b>	<b>(34)</b>
<b>CASH FROM INVESTING ACTIVITIES</b>				
Proceeds from disposal of properties, plant and equipment	285	19	295	383
Purchase of properties, plant and equipment	(1,873)	(361)	(3,573)	(2,112)
Interest income received	67	10	204	28
<b>Net cash used in investing activities</b>	<b>(1,521)</b>	<b>(332)</b>	<b>(3,074)</b>	<b>(1,701)</b>
<b>CASH FROM FINANCING ACTIVITIES</b>				
Proceeds from bank borrowings	-	13,291	3,738	21,932
Repayment of obligations under finance leases	(40)	(33)	(104)	(84)
Repayment of bank borrowings	(482)	(10,786)	(11,402)	(16,168)
Decrease in secured fixed deposit	-	-	1,289	-
Advance from a related party	-	3,978	-	1,225
Interest paid	(66)	(61)	(224)	(178)
Dividend paid	(1,952)	(7,175)	(5,013)	(7,175)
Net proceeds from issue of new shares	-	-	17,342	-
<b>Net cash from / (used in) financing activities</b>	<b>(2,540)</b>	<b>(786)</b>	<b>5,626</b>	<b>(448)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,560)</b>	<b>(1,677)</b>	<b>5,084</b>	<b>(2,183)</b>
<b>EFFECT OF CURRENCY TRANSLATION</b>	<b>410</b>	<b>5</b>	<b>402</b>	<b>12</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>22,153</b>	<b>8,975</b>	<b>13,517</b>	<b>9,474</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>19,003</b>	<b>7,303</b>	<b>19,003</b>	<b>7,303</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**

	Issued capital of the company US\$'000	Share premium of the company US\$'000	Merger reserve US\$'000	Reserve Fund US\$'000	Enterprise Expansion Fund US\$'000	Currency translation reserve US\$'000	Accumulated profits US\$'000	Total US\$'000
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 31 June 2004	8,000	1,642	(7,020)	730	302	70	19,760	23,484
Dividend	-	-	-	-	-	-	(7,175)	(7,175)
Profit for the period	-	-	-	-	-	-	4,098	4,098
Transfer during the period	-	-	-	109	109	-	(218)	-
Currency translation differences	-	-	-	-	-	5	-	5
Balance as at 30 September 2004	8,000	1,642	(7,020)	839	411	75	16,465	20,412

	Issued capital of the company US\$'000	Share premium of the company US\$'000	Merger reserve US\$'000	Reserve Fund US\$'000	Enterprise Expansion Fund US\$'000	Currency translation reserve US\$'000	Accumulated profits US\$'000	Total US\$'000
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
Dividend	-	-	-	-	-	-	(1,952)	(1,952)
Profit for the period	-	-	-	-	-	-	2,443	2,443
Currency translation differences	-	-	-	-	-	594	-	594
Transfer during the period	-	-	-	945	-	-	(945)	-
Balance as at 30 September 2005	9,760	17,226	(7,020)	1,332	302	593	22,771	44,964

- 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.**

On 12 September 2005, a total number of 18,056,000 share options were granted to and were subsequently accepted by the senior executives (including two executive directors). The options are exercisable at S\$0.305 per share with an exercise period commencing from 12 September 2006 until 11 September 2010 (both days inclusive).

- 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 that 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 material 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 / third quarter ended 30 September		Nine months ended 30 September	
	2005	2004	2005	2004
	Based on weighted average number of ordinary shares in issue (US cents)			
-Basic	0.50	1.03	1.58	2.78
-Fully diluted	0.50	1.03	1.58	2.78
Weighted average number of ordinary shares	488,000,000	400,000,000	480,263,736	400,000,000
Weighted average number of ordinary shares after incorporating share options under employee share option scheme	491,571,516	400,000,000	481,454,242	400,000,000

**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 September 2005	31 December 2004
Net assets value per ordinary share (US cents)		
- The Group	9.21	6.12
- The Company	5.73	2.41

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

## **A. Profit & Loss**

Group revenue rose 13.2% to US\$30.7 million in 3Q2005 from US\$27.1 million in 3Q2004. However, net profit attributable to shareholders fell 40.4% to US\$2.4 million in 3Q2005. For the first nine months of 2005, Group revenue increased by 3.9% to US\$75.3 million while net profit attributable to shareholders was down 32.1% to US\$7.6 million from the same period last year.

Revenue from the LCD backlight division rose 36.6% to US\$17.5 million in 3Q2005 and 12.2% to US\$36.3 million for the first nine months of 2005 on the back of a rebound in demand from existing customers and orders from new customers for handsets and gamebox entertainment equipment. However, profitability continued to be affected by pricing pressure. Operating profit for the division fell 39.9% to US\$1.5 million in 3Q2005 and was down 50% to US\$3.4 million for the first nine months of 2005.

Revenue from metal and plastic frames increased 38.7% to US\$3.8 million in 3Q2005 and 92.3% to US\$13.5 million for the first nine months of 2005 as a result of the robust growth of metal frame products for notebook PCs and other IT equipment. However, operating profit fell 33.3% to US\$0.43 million in 3Q2005 as some of the new products commanded lower margins. For the first nine months of 2005, operating profit was up 41.4% to US\$2.5 million.

Revenue from precision accessories for office equipment and electrical appliances increased 9.9% and 23.6% to US\$4.1 million and US\$12.1 million in 3Q2005 and for the first nine months of 2005 respectively. Operating profit declined 25.5% to US\$0.75 million in 3Q2005 as a result of pricing pressure but rose 3.6% to US\$2.8 million for the first nine months of 2005.

The trading division recorded lower sales of US\$5.3 million in 3Q2005, a decrease of 32.2% from 3Q2004. For the first nine months of 2005, revenue fell 42.4% to US\$13.4 million. Operating profit for the division was down 47.1% and 70.4% to US\$0.2 million and US\$0.4 million in 3Q2005 and for the first nine months of 2005 respectively.

Other operating income rose 1,222.7% and 740.0% to US\$0.3 million and US\$1.0 million in 3Q2005 and for the first nine months of 2005 respectively as a result of increase in interest income, sales of scrap materials, income tax refund on reinvestment incentive scheme and exchange gain on monetary items.

Cost-wise, group administrative expenses rose 34.8% and 21.6% to US\$2.6 million and US\$6.8 million in 3Q2005 and for the first nine months of 2005 respectively. Distribution expenses rose 106.6% to US\$0.8 million and 57.7% to US\$1.7 million in 3Q2005 and for the first nine months of 2005 respectively. The cost increases were to support a greater level of business activities. The start-up costs of the new Dongguan factory and the appreciation of Renminbi since July 2005 also contributed to increased administrative costs in this quarter. Finance costs remained low at US\$0.2 million for the first nine months of 2005 as the Group continued to enjoy a low debt position.

The reduction of US\$3.6 million in cash and cash equivalents in 3Q04 is mainly due to the purchase of properties, plant and equipment of US\$1.9 million for production in Suzhou and Dongguan, China, and the payment of interim dividend of US\$2.0 million mitigated by net cash from operation of US\$0.5 million.

## **B. Balance Sheet**

As at 30 September 2005, the Group has net cash of US\$20.9 million and total assets of US\$73.0 million. Inventories increased by US\$2.0 million as at 30 September 2005 compared to US\$5.8 million as at 31 December 2004, which is in line with the increase in sales. Trade receivables increased by US\$11.3 million to US\$30.1 million as at 30 September 2005 compared to US\$18.8 million as at 31 December 2004 as a result of rebound in demand from existing customers and orders from new customers, particularly for handsets and gamebox entertainment equipment. Other receivables and prepayments decreased by US\$0.2 million to US\$2.3 million as at 30 September 2005 compared to US\$2.5 million as at 31 December 2004 as a result of reduction in prepayments. Other receivables and prepayments comprise utility and rental deposits, prepaid expenses and prepayment. Trade payables increased by US\$7.8 million from US\$13.9 million as at 31 December 2004 to US\$21.7 million as at 30 September 2005, which is in line with the increase in sales. Other payables and accruals decreased by US\$0.7 million from US\$2.9 million as at 31 December 2004 to US\$2.2 million as at 30 September 2005, because provision for year end bonus and other professional fees are provided on pro rata basis for nine



months only. Other payables and accruals comprise salary payable, provision of year-end bonus, social insurance and value-added tax payables.

Bank borrowings were reduced by US\$7.8 million from US\$11.2 million as at 31 December 2004 to US\$3.4 million as at 30 September 2005. This reduction represented the net payment of bank borrowing.

Total shareholders' equity was US\$45.0 million as at 30 September 2005 compared to US\$24.5 million as at 31 December 2004, representing an increase of US\$20.5 million. The increase was due to the successful listing in January this year and the profit generated from operation.

The Group's net asset value per share increased to 9.21 US cents as at 30 September 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.

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

Although demand has picked up, competitive forces remain strong. On the positive side, new models of handsets and other IT equipment will continue to support our business and sales volume. On the other hand, pricing pressure and the appreciation of Renminbi will maintain our operating margins at current level.

The Group will benefit from our new production facilities in Dongguan which will commence operations in the last quarter of 2005. However, such benefit will be offset by start-up costs in the initial stage of operation.

Barring unforeseen circumstances, the management expects the Group's performance to remain stable in 4Q2005.

**11. Dividend**

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

Any dividend declared for the current financial period reported on? No.

**(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**

Not applicable.

**(d) Books closure date**

Not applicable.

**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 nine months ended 30 September 2005

	Parts trading	LCD backlight units	Precision accessories	LCD frames	Eliminations	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b><u>Revenue</u></b>						
External sales	13,436	36,319	12,083	13,508	-	75,346
Inter-segment sales	1,767	458	1,556	798	(4,579)	-
Total revenue	15,203	36,777	13,639	14,306	(4,579)	75,346
<b><u>Results</u></b>						
Segment result	385	3,400	2,820	2,526		9,131
Unallocated corporate expenses						(674)
Operating profit						8,457
Interest income						204
Interest expenses						(224)
Profit before income tax						8,437
Income tax						(882)
Profit after income tax						7,555
<b><u>Assets</u></b>						
Segment assets	29,024	30,305	7,939	14,686	(10,353)	71,601
Unallocated assets						1,377
Total assets						72,978
<b><u>Liabilities</u></b>						
Segment liabilities	17,935	12,630	1,131	2,274	(10,353)	23,617
Bank borrowings and obligations under finance leases						3,657
Unallocated liabilities						740
Total liabilities						28,014
<b><u>Other information</u></b>						
Capital expenditure	106	1,082	206	2,179		3,573
Depreciation of properties, plant and equipment	84	573	347	490		1,494

Primary reporting format-Business Segments – 2004

CDW Holding Limited

Business segment for the nine months ended 30 September 2004

	Parts trading US\$'000	LCD backlight units US\$'000	Precision accessories US\$'000	LCD frames US\$'000	Eliminations US\$'000	Consolidated US\$'000
<b>Revenue</b>						
External sales	23,316	32,373	9,779	7,026	-	72,494
Inter-segment sales	38	219	549	576	(1,382)	-
Total revenue	23,354	32,592	10,328	7,602	(1,382)	72,494
<b>Results</b>						
Segment result	1,298	6,802	2,724	1,787		12,611
Interest income						28
Interest expenses						(178)
Profit before income tax						12,461
Income tax						(1,339)
Profit after income tax						11,122
<b>Assets</b>						
Segment assets	13,403	18,620	6,156	9,658	(827)	47,010
Unallocated assets						401
Total assets						47,411
<b>Liabilities</b>						
Segment liabilities	8,109	6,370	1,119	1,942	(827)	16,713
Bank borrowings and obligations under finance leases						8,876
Unallocated liabilities						1,410
Total liabilities						26,999
<b>Other information</b>						
Capital expenditure	137	553	788	634		2,112
Depreciation of properties, plant and equipment	102	501	306	255		1,164

## GROUP SEGMENTAL REPORTING

### Secondary reporting format – Geographical Segments

	Turnover		Total Assets		Capital Expenditure	
	Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September	
	2005 US\$'000	2004 US\$'000	2005 US\$'000	2004 US\$'000	2005 US\$'000	2004 US\$'000
<b>Hong Kong</b>	27,083	24,102	29,385	14,480	107	886
<b>PRC</b>	33,559	39,876	43,593	32,931	3,466	1,226
<b>Japan</b>	14,498	8,442	-	-	-	-
<b>Others</b>	206	74	-	-	-	-
<b>Total</b>	75,346	72,494	72,978	47,411	3,573	2,112

**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. The Group continues to focus on production in PRC. Sales to entities located in PRC decreased moderately by 15.8% to US\$33.6 million for the first nine months of 2005 as compared to the same period last year, which accounted for 44.5% of the total sales for the first nine months of 2005. Sales to Japan increased by 71.7% to US\$14.5 million for the first nine months of 2005, which accounted for 19.2% of the total sales for the first nine months of 2005. The drop in sales to entities in PRC was attributable to more export business, particularly LCD backlight for handsets and gamebox entertainment equipment, from China to Japan and Hong Kong as requested by the Group's customers. The total assets located in PRC increased by 32.4% from US\$32.9 million as at 30 September 2004 to US\$43.6million as at 30 September 2005.

During the first nine months of 2005, the Group invested a total capital expenditure of US\$3.5 million in the production facilities in PRC as compared to that of US\$0.1 million in Hong Kong.

15. A breakdown of sales

	Nine months ended 30 September		
	2005 US\$'000	2004 US\$'000	% Increase / (Decrease)
Sales reported for the first quarter	24,416	16,096	51.7%
Sales reported for the second quarter	20,256	29,307	(31.0%)
Sales reported for the third quarter	30,674	27,091	13.2%
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%)
Operating profit after tax for the third quarter	2,443	4,098	(40.4%)

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 nine months ended 30 September 2005

Name of interested person	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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to rule 920 (excluding transactions less than S\$100,000)
	US\$'000	US\$'000
Purchase of raw materials and semi-finished goods from Japan Tomoike	-	18,042
Assembly of LCD backlight units and its related components and precision accessories for office and electrical appliances to Japan Tomoike	-	13,866
<b>Total</b>	-	31,908

**BY ORDER OF THE BOARD**

Lai Shi Hong Edward  
 Executive Director  
 12 November 2005