
Unaudited Half Year Financial Statements And Dividend Announcement for the Six Months / Second Quarter Ended 30 June 2006

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 2006

	Note	Three months / second quarter ended 30 June			Six months / half year ended 30 June		
		2006 US\$'000	2005 US\$'000	% Increase/ (Decrease)	2006 US\$'000	2005 US\$'000	% Increase/ (Decrease)
Revenue		31,676	20,256	56.4%	75,888	44,672	69.9%
Cost of sales		(26,718)	(15,672)	70.5%	(64,864)	(34,385)	88.6%
Gross profit		4,958	4,584	8.2%	11,024	10,287	7.2%
Other operating income		231	226	2.2%	393	675	(41.8%)
Distribution expenses		(505)	(339)	49.0%	(1,135)	(847)	34.0%
Administrative expenses		(3,023)	(2,097)	44.2%	(6,112)	(4,235)	44.3%
Finance costs		(114)	(66)	72.7%	(184)	(157)	17.2%
Profit before income tax	(1)	1,547	2,308	(33.0%)	3,986	5,723	(30.4%)
Income tax expense		(82)	(208)	(60.6%)	(299)	(611)	(51.1%)
Profit after income tax		1,465	2,100	(30.2%)	3,687	5,112	(27.9%)

Note (1)

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

	Three months / second quarter ended 30 June		Six months / half year ended 30 June	
	2006	2005	2006	2005
	US\$'000	US\$'000	US\$'000	US\$'000
Depreciation expense	591	485	1,212	924
Interest income	(85)	(99)	(149)	(136)
Net foreign exchange loss / (gain) (Note a)	232	43	409	(302)
Allowance for slow moving stock	170	48	371	48

Note a: The foreign currency exchange loss for the six months ended 30 June 2006 comprised mainly realized loss on payments dominated other than United States dollars and the conversion of non-US bank balances into United States dollars in first half of the year .

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 2006

	The Group		The Company	
	As at 30 June 2006 US\$'000	As at 31 December 2005 US\$'000	As at 30 June 2006 US\$'000	As at 31 December 2005 US\$'000
ASSETS				
Current Assets:				
Cash and bank balances	22,998	22,070	91	91
Trade receivables	20,120	22,389	-	-
Other receivables and prepayments	2,029	1,905	4,634	6,040
Tax recoverable	326	101	-	-
Inventories	9,798	10,622	-	-
Total current assets	55,271	57,087	4,725	6,131
Non-current assets				
Pledged bank deposits (Note b)	1,441	1,933	-	-
Deferred expenditure (Note c)	1,083	-	1,083	-
Investments in subsidiaries	-	-	9,642	9,642
Amount due from subsidiary	-	-	12,808	12,392
Property, plant and equipment	15,541	13,758	-	-
Total non-current assets	18,065	15,691	23,533	22,034
Total assets	73,336	72,778	28,258	28,165
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Bank borrowings – amount due within one year	4,813	1,659	-	-
Trade payables	15,217	19,737	-	-
Other payables and accruals	2,766	2,305	570	148
Current portion of obligation under finance leases	134	111	-	-
Income tax payable	121	363	-	-
Total current liabilities	23,051	24,175	570	148
Non-current liabilities				
Bank borrowings – amount due after one year	644	1,289	-	-
Obligation under finance leases	257	217	-	-
Deferred tax liability	132	132	-	-
Total non-current liabilities	1,033	1,638	-	-
Shareholders' equity				
Issued capital	9,760	9,760	9,760	9,760
Reserves	39,492	37,205	17,928	18,257
Total shareholders' equity	49,252	46,965	27,688	28,017
Total liabilities and shareholders' equity	73,336	72,778	28,258	28,165

Note b: As at 30 June 2006, the Group's fixed deposit of approximately US\$1.4 million (31 December 2005: US\$1.9 million) were pledged to banks to secure bank loans granted to the Group.

Note c: Deferred expenditure represented professional fees and other incidental expenses for the acquisition of Tomoike Industrial Co., Limited in Japan.

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 2006		As at 31 December 2005	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Bank Borrowings	1,423	3,390	1,558	101
Obligation under finance leases	134	-	111	-
Total	1,557	3,390	1,669	101

Amount repayable after one year

	As at 30 June 2006		As at 31 December 2005	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Bank Borrowings	644	-	1,289	-
Obligation under finance leases	257	-	217	-
Total	901	-	1,506	-

Details of collateral

As at 30 June 2005, the Group's fixed deposit of approximately US\$1.4 million (31 December 2005: US\$1.9 million), plant and machinery with net book value of approximately US\$0.8 million (31 December 2005: US\$0.9 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

CONSOLIDATED CASH FLOW STATEMENT				
For the period ended 30 June 2006				
	The Group			
	Three months / second quarter ended 30 June		Six months / half year ended 30 June	
	2006	2005	2006	2005
	US\$'000	US\$'000	US\$'000	US\$'000
CASH FROM OPERATING ACTIVITIES				
Profit before income tax	1,547	2,308	3,986	5,723
Adjustments for				
Share option expenses	99	-	197	-
Provision for doubtful debts	-	29	-	29
Allowance for slow moving stock	170	48	371	48
Depreciation	591	485	1,212	924
Interest income	(85)	(99)	(149)	(136)
Interest expenses	108	66	178	157
Gain on disposal of property, plant and equipment	(12)	-	(12)	-
Operating profit before working capital changes	2,418	2,837	5,783	6,745
Trade receivables, other receivables and prepayments	12,237	303	2,145	3,626
Inventories	2,180	(934)	453	(705)
Trade payables, other payables and accruals	(8,712)	(1,963)	(4,059)	(6,501)
Net cash from operating activities	7,922	243	4,322	3,165
Income tax paid	(805)	(1,106)	(1,085)	(1,134)
Income tax refund	319	-	319	-
Interest paid	(108)	(66)	(178)	(157)
Net cash from / (used in) operating activities	8,123	(929)	3,378	1,874
CASH FROM INVESTING ACTIVITIES				
Proceeds from disposal of property, plant and equipment	133	5	133	5
Deferred expenditure	(1,083)	-	(1,083)	-
Purchase of property, plant and equipment (Note d)	(1,826)	(1,205)	(2,967)	(1,700)
Interest income received	85	99	149	137
Net cash used in investing activities	(2,691)	(1,101)	(3,768)	(1,558)
CASH FROM FINANCING ACTIVITIES				
Proceeds from bank borrowings	13,693	-	17,382	3,732
Repayment of obligation under finance leases	(31)	(31)	(61)	(63)
Repayment of bank borrowings	(14,383)	(765)	(14,873)	(10,902)
Decrease in pledged bank deposit	492	-	492	1,286
Dividend paid	(1,952)	(3,040)	(1,952)	(3,061)
Net proceeds from issue of new shares	-	-	-	17,342
Net cash (used in) / from financing activities	(2,181)	(3,836)	988	8,334
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,657	(5,866)	598	8,650
EFFECT OF CURRENCY TRANSLATION	45	48	330	(14)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	20,296	27,971	22,070	13,517
CASH AND CASH EQUIVALENTS AT END OF PERIOD	22,998	22,153	22,998	22,153

Note d: The Group acquired property, plant and equipment with aggregate cost of approximately US\$3,091,000 (1Q2006: US\$1,265,000) of which US\$124,000 (1Q2006: US\$124,000) was acquired by means of finance leases. Cash payments of approximately US\$2,967,000 (1Q2006: US\$1,141,000) were made to purchase property, plant and equipment.

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	Share option reserve US\$'000	Merger reserve US\$'000	Reserve Fund US\$'000	Enterprise Expansion Fund US\$'000	Staff Welfare Fund US\$'000	Currency translation reserve US\$'000	Accumulated profits US\$'000	Total US\$'000
Balance as at 1 January 2006	9,760	17,654	98	(7,020)	1,332	302	1,155	681	23,003	46,965
Profit for the three-month period	-	-	-	-	-	-	-	-	2,222	2,222
Additions during the three-month period	-	-	98	-	-	-	-	-	-	98
Transfer	-	-	-	-	1	-	-	-	(1)	-
Currency translation differences	-	-	-	-	-	-	-	206	-	206
Balance as at 31 March 2006	9,760	17,654	196	(7,020)	1,333	302	1,155	887	25,224	49,491
Profit for the three-month period	-	-	-	-	-	-	-	-	1,465	1,465
Additions during the three-month period	-	-	99	-	-	-	-	-	-	99
Transfer	-	-	-	-	785	-	4	-	(789)	-
Currency translation differences	-	-	-	-	-	-	-	149	-	149
Dividend	-	-	-	-	-	-	-	-	(1,952)	(1,952)
Balance as at 30 June 2006	9,760	17,654	295	(7,020)	2,118	302	1,159	1,036	23,948	49,252

	Issued capital of the company US\$'000	Share premium of the company US\$'000	Share option reserve US\$'000	Merger reserve US\$'000	Reserve Fund US\$'000	Enterprise Expansion Fund US\$'000	Staff Welfare 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 three-month 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 three-month 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

The issuer's statement of changes in equity with a comparative statement for the corresponding period of the immediately preceding financial year is as follows:

	Issued capital of the company US\$'000	Share premium of the company US\$'000	Share option reserve US\$'000	Merger reserve US\$'000	Reserve Fund US\$'000	Enterprise Expansion Fund US\$'000	Staff Welfare Fund US\$'000	Currency translation reserve US\$'000	Accumulated profits US\$'000	Total US\$'000
Balance as at 1 January 2006	9,760	17,654	-	-	-	-	-	-	603	28,017
Profit for the three-month period	-	-	-	-	-	-	-	-	(186)	(186)
Currency translation differences	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2006	9,760	17,654	-	-	-	-	-	-	417	27,831
Profit for the three-month period	-	-	-	-	-	-	-	-	1,809	1,809
Dividend	-	-	-	-	-	-	-	-	(1,952)	(1,952)
Balance as at 30 June 2006	9,760	17,654	-	-	-	-	-	-	274	27,688

	Issued capital of the company US\$'000	Share premium of the company US\$'000	Share option reserve US\$'000	Merger reserve US\$'000	Reserve Fund US\$'000	Enterprise Expansion Fund US\$'000	Staff Welfare 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	-	-	-	-	-	-	-	9,642
Profit for the three-month period	-	-	-	-	-	-	-	-	178	178
New issue of shares	1,760	15,584	-	-	-	-	-	-	-	17,344
Transfer	-	428	-	-	-	-	-	-	(428)	-
Balance as at 31 March 2005	9,760	17,654	-	-	-	-	-	-	(250)	27,164
Profit for the three-month period	-	-	-	-	-	-	-	-	3,509	1,337
Dividend	-	-	-	-	-	-	-	-	(3,040)	(3,040)
Balance as at 30 June 2005	9,760	17,654	-	-	-	-	-	-	219	25,491

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 30 June 2006 and 31 December 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 Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the most recently audited annual financial statements for the year ended 31 December 2005.

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

Not applicable.

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	
	2006	2005	2006	2005
Based on weighted average number of ordinary shares in issue (US cents)				
- Basic	0.30	0.43	0.76	1.07
- Fully diluted (Note e)	N/A	N/A	N/A	N/A
Weighted average number of ordinary shares for the purpose of basic earnings per share	488,000,000	488,000,000	488,000,000	476,331,492

Note e: There is no diluted earnings per share as the average market price of ordinary shares during the Period from the issue of the options to the balance sheet date is below the exercise price for the options.

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 2006	31 December 2005
Net assets value per ordinary share (US cents)		
- The Group	10.09	9.62
- The Company	5.67	5.74

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

Group's turnover increased significantly by 69.9% to US\$75.9 million in 1H2006 compared to 1H2005. Gross profit increased moderately by 7.2% to US\$11.0 million and net profit attributed to shareholders decreased by 27.9% to US\$3.7 million over the same financial period.

Revenue from LCD backlight units segment increased significantly by 163.4%. This was due to scale operation of the new Dongguan plant which commenced in the first half of the year and the increase in sales of higher value LCD backlight units. The higher value of these LCD backlight units were attributable to the integration of the value added components such as light emitting diode ("LED") and flexible printed circuits ("FPC"). These higher value LCD backlight units, which are used for high quality LCD which can provide brighter displays and higher resolution, have become the main business focus of the Group in this business segment. Correspondingly, EBIT for LCD backlight units segment increased by 107.4% to US\$3.9 million which was in line with the business expansion and the continuous improvement in the production efficiency of the Dongguan plant in the second quarter.

Precision accessories sales remained stable at approximately US\$8.0 million. However, EBIT fell 28.4% to US\$1.5 million due to product mix of lower margins.

The LCD frame segment experienced a decline during this period due to plans for new model launches from the customers in the later part of this year and the eventual expenses incurred for the old models' inventory. As a result, revenue and EBIT of this segment declined by 37.6% and 99.2% to US\$6.1 million and US\$0.02 million respectively in this period.

The trading segment recorded an increase of 54.4% in sales and operated at the break-even level.

Group administrative and distribution expenses rose 44.3% to US\$6.1 million, and 34.0% to US\$1.1 million respectively, due to business expansions. The exchange losses of US\$0.4 million incurred in this period as a result of the volatile Japanese Yen currency also accounted for the increase in administrative expenses.

Finance cost was maintained at US\$0.2 million in the first half of 2006 and was consistent with the low gearing position of the Group.

B. Balance Sheet

As at 30 June 2006, the Group had cash net of borrowings totaling US\$18.6 million. Total assets and liabilities stood at US\$73.3 million and US\$24.1 million respectively. Inventory and trade and other receivables decreased by US\$3.0 million from US\$34.9 million as at 31 December 2005 to US\$31.9 million as at 30 June 2006. Meanwhile, trade and other payables decreased by US\$4.0 million from US\$ 22.0 million as at 31 December 2005 to US\$18.0 million as at 30 June 2006.

Bank borrowings and obligation under finance leases increased by US\$2.5 million from US\$3.3 million as at 31 December 2005 to US\$5.8 million as at 30 June 2006.

Total shareholders' equity was US\$49.3 million as at 30 June 2006 compared to US\$47.0 million as at 31 December 2005, representing an increase of US\$2.3 million.

The Group's net asset value per share hence increased to 10.09 US cents as at 30 June 2006 from 9.62 US cents as at 31 December 2005.

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

Not Applicable.

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 new Dongguan plant achieved breakeven in the second quarter as a result of further improvement in production efficiency. Following the commencement of the second work shift in June on a gradual basis, performance will continue to improve in the second half of the year. Orders for LCD backlight units are strong, buoyed by new handset and gamebox models and the expanding operation of the Dongguan plant which serves customers demands in southern China. Competition remains tough but the pricing pressure has abated. Turnover and profitability of the LCD frames segment will resume normal following the launches of the new models in the second half of the year. However, the Group expects the revenue and profit contribution from the LCD frames segment to decrease as compared to last year. Precision accessories and trading segment are expected to grow steadily.

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

The management expects to maintain a dividend payout of not less than 40% of the Group's consolidated net profits for FY2006.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

(c) Date payable

The proposed interim dividend will be paid on a date to be announced.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer books and Register of Members of the Company will be closed on 4 October 2006 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 3 October 2006 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 – 2006

CDW Holding Limited

Business segment for the six months/half year ended 30 June 2006

	Parts trading	LCD backlight units	Precision accessories	LCD frames	Eliminations	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue						
External sales	12,521	49,526	7,752	6,089		75,888
Inter-segment sales	20,123	1,068	331	345	(21,867)	-
Total revenue	32,644	50,594	8,083	6,434	(21,867)	75,888
Results						
Segment result	14	3,889	1,482	16		5,401
Unallocated corporate expenses						(1,380)
Operating profit						4,021
Interest income						149
Interest expenses						(184)
Profit before income tax						3,986
Income tax						(299)
Profit after income tax						3,687
Assets						
Segment assets	24,217	34,070	6,115	18,025	(10,794)	71,633
Unallocated assets						1,703
Total assets						73,336
Liabilities						
Segment liabilities	11,961	12,832	1,417	2,099	(10,794)	17,515
Bank borrowings and obligation under finance leases						5,848
Unallocated liabilities						721
Total liabilities						24,084
Other information						
Capital expenditure	160	1,315	109	1,507		3,091
Depreciation of property, plant and equipment	61	510	233	408		1,212

Primary reporting format-Business Segments – 2005

CDW Holding Limited

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

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

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	
	2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000
Hong Kong	28,840	11,459	19,870	19,707	160	47
PRC	38,534	21,590	53,466	39,085	2,931	1,653
Japan	8,337	11,573	-	-	-	-
Others	177	50	-	-	-	-
Total	75,888	44,672	73,336	58,792	3,091	1,700

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 increased by 78.5% to US\$38.5 million for the first half 2006 as compared to the previous corresponding period, which accounted for 50.8% of the total sales for the first half 2006 as a result of the operation of new factory in Dongguan and business turnaround. Sales to Japan amounted to US\$8.3 million, which accounted for 11.0% of the total sales for the first half 2006. This represented a decrease of 28.0% as compared to the previous corresponding period. The decrease in sales to Japan was resulted from more outsourcing activities from Japan to PRC. The total assets located in PRC increased by 36.8% from US\$39.1 million as at 30 June 2005 to US\$53.5 million as at 30 June 2006.

During the first half 2006, the Group invested a total capital expenditure of US\$2.9 million in the production facilities in PRC as compared to US\$0.2 million in Hong Kong.

15. A breakdown of sales

	Six months / half year ended 30 June		
	2006 US\$'000	2005 US\$'000	% Increase / (Decrease)
Sales reported for the first quarter	44,212	24,416	81.1%
Sales reported for the second quarter	31,676	20,256	56.4%
Operating profit after tax for the first quarter	2,222	3,012	26.2%
Operating profit after tax for the second quarter	1,465	2,100	30.2%

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 2006

	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)
Name of interested person	US\$'000	US\$'000
1. Tomoike Industrial Co., Limited ("Japan Tomoike")		
Purchase of raw materials and semi-finished goods from Japan Tomoike	-	10,981
Revenue from Japan Tomoike for assembly of LCD backlight units and its related components and precision accessories for office and electrical appliances	-	8,101
2. J&T Flex Technology Co., Limited ("J&T")		
Purchase of parts for trading from J&T	346	-
Total	346	19,082

BY ORDER OF THE BOARD

Lai Shi Hong Edward

Executive Director

12 August 2006