

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2006 (six months ended 30 June 2005: Nil).

BUSINESS REVIEW AND OUTLOOK

The Group recorded good profitability growth for the first half of 2006. Net profit attributable to equity holders increased by 23% to HK\$28,661,000 in the first half of 2006 from HK\$23,334,000 in first half of 2005. Sales turnover in first half of 2006 amounted to HK\$1,565,351,000. Earnings per share increased by 23% to HK10.67 cents in first half of 2006 from HK8.69 cents in first half of 2005.

The efforts taken by the Group to focus on higher margin product mix resulted in the improvement in net profit for the Group.

The Group will continue to embrace new and rapid technology enhancements to its operation. Recognizing the buoyancy of the economy, the Group will continue its cost control policy by seeking for new ways to reduce its distribution costs.

With new software and hardware products introduced by major vendors, the Group looks ahead with confidence. In July 2006, the Group entered into a distribution agreement with Apple Computer Inc. to distribute Apple range of products in Singapore. The Group will continue to expand its product mix by adding products that can contribute to the growth and at the same time seizing the many opportunities presented by a rapidly prospering Asia to generate good returns to the Group and its shareholders.

FINANCIAL REVIEW AND ANALYSIS

Liquidity and Financial Resources

As at 30 June 2006, the Group had total assets of HK\$1,059,274,000 which were financed by shareholders' funds of HK\$586,476,000, minority interests of HK\$971,000 and total liabilities of HK\$471,827,000. The Group had a current ratio of approximately 1.82 as compared to that of approximately 1.74 at 31 December 2005.

As at 30 June 2006, the Group had HK\$120,861,000 bank balances and cash of which HK\$17,757,000 was pledged to banks to cover banking facilities in the ordinary course of business. The Group's working capital requirements were mainly financed by internal resources and short term borrowings. As at 30 June 2006, the Group had HK\$50,456,000 short term borrowings and bank overdraft. The Group's borrowings were mainly denominated in Hong Kong dollars, Singapore dollars and Malaysia Ringgit and were charged at floating interest rates.



Liquidity and Financial Resources (continued)

The Group continued to sustain a good liquidity position. At the end of June 2006, the Group had a net cash surplus (bank balances and cash, including pledged bank deposits less bank borrowings) of HK\$70,405,000 compared to HK\$55,532,000 as at 31 December 2005.

Gearing ratio, as defined by total bank loans and bank overdrafts to shareholders' funds, as at 30 June 2006 was 9% compared to 10% as at 31 December 2005.

Charges on Group Assets

At the balance sheet date, the Group had pledged bank deposits of HK\$17,757,000 (as at 31 December 2005: HK\$17,020,000) and an investment property of net book value of HK\$40,000,000 (as at 31 December 2005: HK\$40,000,000) to banks to secure general banking facilities granted to subsidiaries.

Number and Remuneration of Employees, Remuneration Policies, Bonus and Share Option Schemes

Staff number of the Group in June 2006 was 260 and the salary and other benefits paid to employees, excluding Directors' emoluments, amounted to HK\$29,425,000. There are no significant changes in staff remuneration policies from last year end date.

Currency Risk Management

The Group maintains a conservative approach on foreign exchange exposure management. There are no significant changes in the strategies to hedge against exposure to fluctuations in exchange rates from last year end date.

Contingent Liabilities

The Company's corporate guarantees extended to certain banks and vendors as security for banking facilities and goods supplied to the Group amounted to HK\$245,415,000 (as at 31 December 2005: HK\$248,364,000).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

At 30 June 2006, the interests of the Directors and their associates, in the shares of the Company and its associated corporations as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Name of directors	Long position in shares		
	Number of ordinary shares held		
	Personal Interests	Corporate Interests	Percentage
Lim Siam Kwee	8,424,400	—	3.14%
Lim Kiah Meng	2,531,200	178,640,000 (note)	67.46%
Lim Kia Hong	2,531,200	178,640,000 (note)	67.46%
Lim Hwee Hai	2,531,200	—	0.94%
Lim Hwee Noi	2,276,000	—	0.85%

Note: Gold Sceptre Limited holds 140,360,000 shares and Kelderman Limited, Valley Tiger Limited and Swan River Limited each holds 12,760,000 shares in the issued share capital of the Company. Mr. Lim Kiah Meng and Mr. Lim Kia Hong and their spouses together own 40.5% and 39.5% respectively of the issued share capital of Summertown Limited which owns the entire issued share capital of each of the above-mentioned companies.

Other than as disclosed above, none of the Directors, nor their associates, had any interests or short positions in any shares and underlying shares or debentures of the Company or any of its associated corporations at 30 June 2006.

SHARE OPTIONS

Pursuant to the share option scheme adopted by the Company on 31 May 2002, the Company may grant options to eligible employees, including Directors of the Company and its subsidiaries and associates, to subscribe for share in the Company. Additionally, the Company may, from time to time, grant share options to outside third parties with a view to maintain business relationship with such persons and as an alternative for settlement of the Company's payment obligations.

No options were outstanding as at 1 January 2006 and no options have been granted under the share option scheme during the six months ended 30 June 2006.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed above in respect of certain Directors, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO discloses no person as having a notifiable interest or short position in the issued share capital of the Company as at 30 June 2006.

CORPORATE GOVERNANCE

On 23 September 2005, the Company has adopted its own corporate governance code which is substantially similar or in exceeds as the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules. The Company has complied with the Code throughout the six month period ended 30 June 2006, except for those deviations fully described in Corporate Governance Report as set out in page 7 to 8 of the Company's 2005 Annual Report.

MODEL CODE

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all Directors, all Directors confirmed they have complied with the required standard set out in the Model Code and the code of conduct adopted by the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

On behalf of the Board
LIM Kia Hong
Chief Executive Officer

Hong Kong, 15 September 2006