

JK YAMING INTERNATIONAL HOLDINGS LTD

(Company Registration No. 199906353N)

Profit Warning

The Board of Directors of JK Yaming International Holdings Ltd (the “Company”) would like to advise shareholders that the Group, after a preliminary assessment, is expected to be in a loss position for the half year ended 30 June 2006 due mainly to the following:

- (i) increasing prices of raw materials used for our production, in particularly the price of copper;
- (ii) decrease in the sale of our wire harness products to a key Japanese customer; and
- (iii) attorney’s fees and costs of legal proceedings in relation to the defence of a lawsuit with Seague Electronics, Inc. and Shine Capacitors, LLC in the state court of California, USA.

Details of the Group’s results will be disclosed when the Company finalises and announces its unaudited financial results for the half year ended 30 June 2006.

R&D breakthrough in substituting copper wire with aluminium wire for electrical ballast

The Company is pleased to announce that its research and development arm has successfully designed and developed the alternative use of aluminium wire to substitute copper wire used in the manufacturing of electrical ballast.

The three-year R&D effort has achieved its full commercial value when the aluminium wired electrical ballast obtained its safety testing and quality

certification by China Compulsory Certificate (“CCC”) for sale and distribution to international and China markets.

Commenting on this R&D breakthrough, Mr. Ang Chiong Chai, Executive Chairman of the Company said, *“The Group’s R&D has proven its technical capability of delivering technology solutions to address our most difficult challenge in the rising cost of raw materials. The use of aluminium wire in our electrical ballast will result in significant cost savings to our annual raw materials consumption. With the safety and quality certification by CCC, the Group has already sold more than RMB6 million worth of aluminium wired electrical ballast to customers. The contribution from this newly developed product will be realised after the third quarter of this year.”*

Responding to the decrease in the sale of wire harness products, Mr. Ang said, *“The orders from the key customer in Japan are expected to resume to normal level towards the end of this year.”*

Submitted by Ang Chiong Chai, Executive Chairman on 1 August 2006 to the SGX