

COMAT INDUSTRIAL LTD.

COMPANY REGISTRATION NO. 200410428C

ADDITIONAL INFORMATION ON FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2006

In response to the Singapore Exchange Securities Trading Limited's ("SGX-ST") query, the Board of Directors of Comat Industrial Ltd ("the Company") wishes to provide the following additional information in relation to the Company's Financial Statements released on 10 August 2006:-

SGX-ST's query :	Please provide details of the Group's "other receivables" , including the reason for the increase from RMB978,000 as at 31 December 2005 to RMB2.214 million as at 30 June 2006.
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The details of the Group's "other receivables" are as follows:

	As at 30 June 2006 RMB'000	As at 31 Dec 2005 RMB'000
VAT receivable	1,010	0
Outstation advances to employees	264	332
Prepaid expenses	351	68
Deposits	589	578
Total	<u>2,214</u>	<u>978</u>

The increase was attributed mainly to the VAT receivable as a result of higher purchases as against VAT payable of RMB371,000 as at 31 December 2005 and higher prepaid expenses as at 30 June 2006 due to timing differences.