

CDW HOLDING LIMITED

The initial public offering of the company's shares was sponsored by DBS Bank Ltd.

Unaudited First Quarter Financial Statements And Dividend Announcement for the Three Months / First Quarter Ended 31 March 2005

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 three months / first quarter ended 31 March 2005**

	Note	Three months / first quarter ended 31 March		% Increase
		2005 US\$'000	2004 US\$'000	
Revenue		24,416	16,096	51.7%
Cost of sales		(18,713)	(11,540)	62.2%
Gross profit		5,703	4,556	25.2%
Other operating income		449	73	515.1%
Distribution expenses		(508)	(203)	150.2%
Administrative expenses		(2,138)	(1,719)	24.4%
Profit from operations	1	3,506	2,707	29.5%
Finance costs		(91)	(51)	78.4%
Profit before income tax		3,415	2,656	28.6%
Income tax expense		(403)	(283)	42.4%
Profit after income tax		3,012	2,373	26.9%

Note 1

Profit from operations has been arrived at after charging / crediting:

	Three months / first quarter ended 31 March	
	2005 US\$'000	2004 US\$'000
Depreciation expense	439	377
Loss on disposal of property, plant and equipment	-	2
Net foreign exchange gain / (loss) (Note a)	345	(2)

Note a: The balance 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 31 March 2005

	The Group		The Company	
	As at 31 March 2005 US\$'000	As at 31 December 2004 US\$'000	As at 31 March 2005 US\$'000	As at 31 December 2004 US\$'000
ASSETS				
Current Assets:				
Cash and bank balances	27,971	13,517	9,605	-
Fixed deposits (Note)	1,923	3,217		
Trade receivable, other receivables and prepayments	17,995	21,318	14	-
Inventories	5,569	5,799	-	-
Total current assets	53,458	43,851	9,619	-
Non-current assets				
Investments in subsidiaries	-	-	18,360	18,360
Other receivables	-	-	5,190	6,050
Properties, plant and equipment	9,872	9,820	-	-
Total non-current assets	9,872	9,820	23,550	24,410
Total assets	63,330	53,671	33,169	24,410
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Bank borrowings – amount due within one year	2,299	8,338	-	-
Trade payable, other payables and accruals	12,225	16,784	6,005	14,768
Current portion of obligations under finance leases	99	101	-	-
Income tax payable	1,161	785	-	-
Total current liabilities	15,784	26,008	6,005	14,768
Non-current liabilities				
Bank borrowings – amount due after one year	2,442	2,840	-	-
Obligations under finance leases	193	227	-	-
Deferred tax liability	132	132	-	-
Total non-current liabilities	2,767	3,199	-	-
Shareholders' equity				
Issued capital	9,760	8,000	9,760	8,000
Reserves	35,019	16,464	17,404	1,642
Total shareholders' equity	44,779	24,464	27,164	9,642
Total liabilities and shareholders' equities	63,330	53,671	33,169	24,410

Note: As at 31 March 2005, the Group's fixed deposit of approximately US\$1.9 million (31 December 2004: US\$ 3.2million) were pledged to banks to secure bank loans granted to the Group.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

	As at 31 March 2005		As at 31 December 2004	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Bank Borrowings	1,541	758	5,082	3,256
Obligations under finance leases	99	-	101	-
Total	1,640	758	5,183	3,256

Amount repayable after one year

	As at 31 March 2005		As at 31 December 2004	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Bank Borrowings	2,442	-	2,840	-
Obligations under finance leases	193	-	227	-
Total	2,635	-	3,067	-

Details of any collateral

As at 31 March 2005, the Group's fixed deposit of approximately US\$1.9 million (31 December 2004: US\$ 3.2million), plant and machinery with net book value of approximately US\$1.0 million (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

CONSOLIDATED CASH FLOW STATEMENT
For the three months / first quarter ended 31 March 2005

	The Group	
	Three months / first quarter ended 31 March	
	2005	2004
	US\$'000	US\$'000
CASH FROM OPERATING ACTIVITIES		
Net income before taxes	3,415	2,677
Adjustments for		
Depreciation	439	377
Interest income	(37)	(9)
Interest expenses	91	36
Loss on disposal of properties, plant and equipment	-	2
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Operating profit before working capital changes	3,908	3,083
Trade receivable, other receivables and prepayments	3,323	(1,580)
Inventories	230	(1,695)
Trade payable, other payables and accruals	(4,539)	1,302
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Net cash from operating activities	2,922	1,110
Income tax paid	(28)	(115)
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Net cash from operating activities	2,894	995
CASH FROM INVESTING ACTIVITIES		
Proceeds from disposal of properties, plant and equipment	-	364
Purchase of properties, plant and equipment	(495)	(574)
Interest income received	37	10
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Net cash used in investing activities	(458)	(200)
CASH FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	3,718	2,661
Repayment of obligations under finance leases	(36)	(18)
Repayment of bank borrowings	(10,099)	(2,511)
Decrease in secured fixed deposit	1,294	-
Interest paid	(91)	(36)
Dividend paid	(21)	-
Net proceeds from issue of new shares	17,342	-
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Net cash from financing activities	12,107	96
NET CHANGE IN CASH AND CASH EQUIVALENTS	14,543	891
EFFECT OF CURRENCY TRANSLATION	(89)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	13,517	9,474
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CASH AND CASH EQUIVALENTS AT END OF PERIOD	27,971	10,365
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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 capitalisation 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	Share premium of the company	Merger reserve	Reserve Fund	Enterprise Expansion Fund	Currency translation reserve	Accumulated profits	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2004	8,000	1,642	(7,020)	229	302	64	13,237	16,454
Profit for the three-month 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

	Issued capital of the company	Share premium of the company	Merger reserve	Reserve Fund	Enterprise Expansion Fund	Currency translation reserve	Accumulated profits	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2005	8,000	1,642	(7,020)	387	302	-	21,153	24,464
Profit for the year	-	-	-	-	-	-	3,012	3,012
New issue of share	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

- 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 31 December 2004, the Company's issued and fully paid up share capital was US\$8,000,000 represented by 400,000,000 ordinary shares of US\$0.02 each. In January 2005, the Company issued 88,000,000 ordinary shares of US\$0.02 each pursuant to the initial public offering. Accordingly, as at 31 March 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 2004.

- 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 / first quarter ended 31 March	
	2005	2004 (Note)
Based on weighted average number of ordinary shares in issue (US cents)		
- Basic	0.65	0.59
- Fully diluted	0.65	0.59

Note: The calculation of earnings per ordinary share is based on pre-invitation number of shares.

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

	31 March 2005	31 December 2004 (Note)
Net assets value per ordinary share (US cents)		
- The Group	9.18	6.12
- The Company	5.57	2.41

Note: The calculation of net asset value per ordinary share is based on pre-invitation number of shares.

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 revenue rose 51.7% to US\$24.4 million in the 2005 first quarter, buoyed by improvements in all manufacturing divisions. Sales of LCD BLUs rose 67.3% to US\$11.7 million due mainly to growing sales of gamebox products. Sales of metal and plastic frames increased 172.9% to US\$5.9 million as a result of the robust growth in the frame products sales for the notebook PCs and other IT equipment. Sales of precision accessories for office equipment and electrical appliances rose 77.7% to US\$3.7 million. This was due to the higher sales of precision products for LCD TVs and our frame products.

In line with the greater sales volume and the increasing sales to overseas markets, distribution cost increased 150.2% to US\$0.5 million. Administrative expenses also rose 24.4% to US\$2.1 million. The Group has a low gearing position and its finance costs for the 2005 first quarter remained at US\$0.09 million.

The Group's net profit increased 26.9% to US\$3.0 million in the first quarter. Frames and precision accessories divisions achieved impressive 227.4% and 162.6% increase in operating profit to US\$1.4 million and US\$1.2 million respectively. LCD BLUs division experienced a decline of 28.6% in operating profit to US\$1.0 million. The trading division operated at break even in the first quarter. Pricing pressure from customers and a short term slow down in the sales of our handset BLUs contributed to a decline of 4.9 percentage points in our gross margin to 23.4%. However, operating and net margins were less materially affected due to better cost control measures implemented by management.

B. Balance Sheet

As at 31 March 2005, the Group had net cash of US\$25.2 million. Total assets and liabilities stood at US\$63.3 million and US\$18.6 million respectively. As a result of the reduction in the sales volume of trading division, the inventory and trade and other receivables was reduced by 13.1% from US\$27.1 million as at 31 December 2004 to US\$23.6 million as at 31 March 2005. Similarly, the trade and other payables were reduced by 27.2% from US\$16.8 million as at 31 December 2004 to US\$12.2 million as at 31 March 2005.

The bank borrowing was reduced by 57.6% from US\$11.2 million as at 31 December 2004 to US\$4.7 million as at 31 March 2005 as a result of repayment of bank loans.

The total shareholders' equity was US\$44.8 million as at 31 March 2005 compared to US\$24.5 million as at 31 December 2004, representing an increase of 83.0% due to the net proceeds raised from the initial public offering of the Company on 26 January 2005 as well as profit generated from operations.

The Group's net asset value (NAV) per share was hence increased to 9.18 US cents as at 31 March 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

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 industries we operate in remain highly competitive. However, our business strengths as characterized by established relationships with customers, consistent high quality standard, cost competitiveness, close proximity and high scalability will continue to foster growth as well as maintaining profitable returns to our main business segments.

Our Group will continue with our policy of product diversification and customer expansion to mitigate the effects of pricing pressure from customers. Specifically, we believe our LCD BLUs for new models of handsets and other IT equipment to be launched in the latter part of this year will contribute to our revenue and profit for the full year. In addition, there will also be some contributions from the new Dongguan plant, which will commence operations in the second half of the year.

11 Dividend

(a) Current Financial Period Reported On

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

Name of Dividend : Nil.

Dividend Type : Nil.

Dividend Rate : Nil.

Tax rate : Nil.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect

No dividend for the period ended 31 March 2005 is recommended or declared..

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 three months / first quarter ended 31 March 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	3,172	11,658	3,727	5,859		24,416
Inter-segment sales	31	-	812	263	(1,106)	-
Total revenue	3,203	11,658	4,539	6,122	(1,106)	24,416
Results						
Segment result	3	1,034	1,192	1,444		3,673
Unallocated corporate expenses						(186)
Operating profit						3,487
Interest income						19
Interest expenses						(91)
Profit before income tax						3,415
Income tax						(403)
Profit after income tax						3,012
Assets						
Segment assets	17,895	21,040	7,261	14,495	(7,131)	53,560
Unallocated assets						9,770
Total assets						63,330
Liabilities						
Segment liabilities	8,968	5,039	1,225	3,709	(7,131)	11,810
Bank borrowings and obligations under finance leases						5,033
Unallocated liabilities						1,708
Total liabilities						18,551
Other information						
Capital expenditure	23	55	4	413		495
Depreciation of properties, plant and equipment	40	183	96	120		439

Primary reporting format-Business Segments – 2004

CDW Holding Limited

Business segment for the three months / first quarter ended 31 March 2004

	Parts Trading	LCD Backlight Units	Precision Accessories	LCD frames	Eliminations	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue						
External sales	4,885	6,967	2,097	2,147		16,096
Inter-segment sales	6		188	59	(253)	-
Total revenue	4,891	6,967	2,285	2,206	(253)	16,096
Results						
Segment result	354	1,448	454	441		2,697
Interest income						10
Interest expenses						(51)
Profit before income tax						2,656
Income tax						(283)
Profit after income tax						2,373
Assets						
Segment assets	7,705	16,197	5,662	7,681	(1,104)	36,141
Unallocated assets						731
Total assets	7,705	16,197	5,662	7,681		36,872
Liabilities						
Segment liabilities	4,222	5,088	1,033	1,469	(1,104)	10,708
Bank borrowings and obligations under finance leases						3,329
Unallocated liabilities						4,001
Total liabilities	4,222	5,088	1,033	1,469		18,038
Other information						
Capital expenditure	454	82	26	12		574
Depreciation of properties, plant and equipment	48	169	79	81		377

GROUP SEGMENTAL REPORTING

Secondary reporting format – Geographical Segments

	Turnover		Total Assets		Capital Expenditure	
	Three months / first quarter ended 31 March		Three months / first quarter ended 31 March		Three months / first quarter ended 31 March	
	2005	2004	2005	2004	2005	2004
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Hong Kong	4,085	4,278	22,565	7,965	23	454
PRC	12,194	10,189	40,765	28,907	472	120
Japan	8,127	1,611	-	-	-	-
Others	10	18	-	-	-	-
Total	24,416	16,096	63,330	36,872	495	574

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 moderately by 19.7% to US\$12.2 million for the first quarter as compared to the previous corresponding period, which accounted for 49.9% of the total sales for the first quarter. Sales to Japan increased by 404.5% to US\$8.1 million for the first quarter as compared to the previous corresponding period, which accounted for 33.3% of the total sales for the first quarter. The total assets located in PRC increased by 41.0% from US\$28.9 million as at 31 March 2004 to US\$40.8 million as at 31 March 2005.

During the first quarter, the Group invested a total capital expenditure of US\$0.5 million in the production facilities in PRC as compared to that of US\$0.02 million in Hong Kong.

15. A breakdown of sales

	Three months / first quarter ended 31 March		% increase
	2005	2004	
	US\$'000	US\$'000	
Sales reported for the first quarter	24,416	16,096	51.7%
Operating profit after tax for the first quarter	3,012	2,373	26.9%

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

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)
Tomoike Industrial Co., Limited ("Japan Tomoike")	US\$'000	US\$'000
Purchase of raw materials and semi-finished goods from Japan Tomoike	-	5,680
Assembly of LCD backlight units and its related components and precision accessories for office and electrical appliances to Japan Tomoike	-	8,059
Total	-	13,739

BY ORDER OF THE BOARD

Lai Shi Hong Edward

Executive Director

11 May 2005