Unaudited Third Quarter Financial Statements And Dividend Announcement for the Nine Months / Third Quarter Ended 30 September 2007

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 periods ended 30 September 2007

	Note	Three months / third quarter ended 30 September			Nine months ended 30 September		
		2007 US$'000	2006 US$'000	% Increase/ (Decrease)	2007 US$'000	2006 US$'000	% Increase/ (Decrease)
Revenue		44,042	37,881	16.3%	130,147	113,769	14.4%
Cost of sales		(36,673)	(31,162)	17.7%	(107,742)	(96,026)	12.2%
Gross profit		7,369	6,719	9.7%	22,405	17,743	26.3%
Other operating income		254	168	51.2%	648	561	15.5%
Distribution expenses		(1,541)	(809)	90.5%	(3,749)	(1,944)	92.8%
Administrative expenses		(6,053)	(5,120)	18.2%	(17,394)	(11,232)	54.9%
Finance costs		(189)	(167)	13.2%	(589)	(351)	67.8%
(Loss)/Profit before income tax	(1)	(160)	791	(120.2%)	1,321	4,777	(72.3%)
Income tax expense		(256)	(113)	126.5%	(913)	(412)	121.6%
(Loss)/Profit after income tax		(416)	678	(161.4%)	408	4,365	(90.7%)
Attributable to:							
Equity holders of the Company		(416)	588	(170.7%)	74	4,275	(98.3%)
Minority interests		-	90	(100.0%)	334	90	271.1%
		(416)	678	(161.4%)	408	4,365	(90.7%)

Note (1)

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

	Three months / third quarter ended 30 September		Nine months ended 30 September	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
Depreciation	928	906	2,756	2,118
Interest income	(63)	(65)	(226)	(214)
Net foreign exchange loss/(gain) (Note a)	373	(51)	623	358
Allowance for slow moving stock	18	156	587	527
Change in fair value of derivative financial instruments	(211)	-	(45)	-

Note a: The foreign currency exchange loss for the nine months ended 30 September 2007 comprised mainly realized loss on payments denominated in currencies other than United States dollars and the conversion of non-US bank balances into United States dollars in 2007 .

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 SHEETS
As at 30 September 2007

	The Group		The Company	
	As at 30 September 2007 US$'000	As at 31 December 2006 US$'000	As at 30 September 2007 US$'000	As at 31 December 2006 US$'000
ASSETS				
Current Assets:				
Cash and bank balances	20,251	26,836	92	91
Trade receivables	30,581	30,656	3	9
Other receivables and prepayments	1,748	2,345	-	-
Prepaid lease payments	9	-	-	-
Income tax recoverable	154	192	-	-
Derivative financial instruments	45	-	-	-
Inventories	17,162	13,977	-	-
Pledged bank deposits (Note b)	1,619	1,016	-	-
Total current assets	71,569	75,022	95	100
Non-current assets				
Amount due from a subsidiary	-	-	17,891	18,077
Property, plant and equipment	24,778	21,221	-	-
Prepaid lease payments	424	-	-	-
Goodwill (Note c)	1,516	3,569	-	-
Investment in a subsidiary	-	-	10,326	10,184
Available-for-sale investments	2,550	1,000	1,511	-
Held-to-maturity investments	979	979	-	-
Other assets	1,581	1,295	-	-
Total non-current assets	31,828	28,064	29,728	28,261
Total assets	103,397	103,086	29,823	28,361
LIABILITIES AND EQUITY				
Current liabilities				
Bank and other borrowings	13,254	11,278	-	-
Trade payables	28,528	30,017	-	164
Other payables and accruals	4,675	4,146	194	-
Current portion of obligation under finance leases	452	388	-	-
Income tax payable	196	301	-	-
Total current liabilities	47,105	46,130	194	164
Non-current liabilities				
Bank and other borrowings	1,734	2,079	-	-
Obligation under finance leases	408	465	-	-
Retirement benefit obligations	621	542	-	-
Deferred tax liabilities	964	782	-	-
Total non-current liabilities	3,727	3,868	-	-
Capital and reserves				
Issued capital	10,128	9,760	10,128	9,760
Reserves	42,437	39,873	19,501	18,437
Equity attributable to equity holders of the Company	52,565	49,633	29,629	28,197
Minority interests	-	3,455	-	-
Total equity	52,565	53,088	29,629	28,197
Total liabilities and equity	103,397	103,086	29,823	28,361

Note b: As at 30 September 2007, the Group's fixed deposits of approximately US$1.6 million (31 December 2006: US$1 million) were pledged to banks to secure bank loans granted to the Group.

Note c: Acquisition of the remaining equity interest of a subsidiary

The Company and Mr. Kunikazu Yoshimi ("Mr. Yoshimi") have contractually agreed that with effect from 1 June 2007, Mr. Yoshimi shall relinquish all rights, benefits, interests and the legal and beneficial titles in respect of all the Second Tranche Sale Shares of Tomoike Industrial Co., Limited ("Japan Tomoike") in favour of the Company. Subsequently, the Company allotted and issued 18,405,221 new ordinary shares with a par value of US$0.02 each to Mr. Yoshimi as consideration for the acquisition of the Second Tranche Sale Shares on 29 September 2007.

Goodwill arising from the acquisition of Japan Tomoike decreased to US$1.5 million as at 30 September 2007 from US$3.6 million as at 31 December 2006. The decrease was caused by a negative goodwill, being the amount of net assets acquired less the acquisition cost, arising from the Second Tranche Sales Shares of Japan Tomoike. This negative goodwill was offset against the goodwill arising from the First Tranche Sales Shares of Japan Tomoike as a part of the price adjustment to the total acquisition cost of Japan Tomoike.

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 September 2007		**As at 31 December 2006**	
	Secured US$'000	**Unsecured US$'000**	**Secured US$'000**	**Unsecured US$'000**
Bank and other borrowings	3,182	10,072	2,182	9,096
Obligation under finance leases	452	-	388	-
Total	3,634	10,072	2,570	9,096

Amount repayable after one year

	As at 30 September 2007		**As at 31 December 2006**	
	Secured US$'000	**Unsecured US$'000**	**Secured US$'000**	**Unsecured US$'000**
Bank and other borrowings	87	1,647	231	1,848
Obligation under finance leases	408	-	465	-
Total	495	1,647	696	1,848

Details of collateral

As at 30 September 2007, the Group's fixed deposit of approximately US$1.6 million (31 December 2006: US$1 million), property, plant and machinery with net book value of approximately US$2 million (31 December 2006: US$2 million) were pledged to financial institutions to secure borrowings of 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 periods ended 30 September 2007

	Three months / third quarter ended 30 September		Nine months ended 30 September	
	2007 US$'000	**2006 US$'000**	**2007 US$'000**	**2006 US$'000**
CASH FROM OPERATING ACTIVITIES				
(Loss)/Profit before income tax	(160)	791	1,321	4,777
Adjustments for				
Share option expenses	71	99	142	296
Allowance for slow moving inventories	18	156	587	527
Change in fair value of derivative financial instruments	(211)	-	(45)	-
Depreciation	928	906	2,756	2,118
Interest income	(63)	(65)	(226)	(214)
Interest expenses	189	167	589	351
Loss/(gain) on disposal of property, plant and equipment	40	(40)	374	(52)
Retirement benefit obligations	59	-	79	-
Operating cash flows before working capital changes	871	2,014	5,577	7,803
Trade receivables, other receivables and prepayments	(337)	6,366	611	8,511
Inventories	(128)	(816)	(3,772)	(162)
Trade payables, other payables and accruals	(1,093)	(5,819)	(960)	(9,878)
Cash generated from operations	(687)	1,745	1,456	6,274
Income tax paid	(8)	(1,699)	(847)	(2,784)
Income tax refunded	-	257	49	576
Interest paid	(189)	(167)	(589)	(351)
Net cash from operating activities	(884)	136	69	3,715
CASH FROM INVESTING ACTIVITIES				
Net cash outflow on acquisition of subsidiary (Note d)	-	(1,536)	-	(1,536)
Proceeds from disposal of property, plant and equipment	-	260	41	393
Increase in other assets	(137)	-	(286)	-
Purchase of available-for-sale investments	(1,455)	-	(1,460)	-
Deferred expenditure	-	1,083	-	-
Purchase of property, plant and equipment (Note e)	(523)	(2,459)	(6,013)	(5,426)
Interest income received	63	65	226	214
Net cash used in investing activities	(2,052)	(2,587)	(7,492)	(6,355)
Decrease in pledged bank deposits	(595)	(18)	(603)	474
Proceeds from bank and other borrowings	15,914	30,038	59,567	47,420
Repayment of obligation under finance leases	(104)	(215)	(319)	(276)
Repayment of bank and other borrowings	(15,163)	(25,862)	(57,936)	(40,735)
Dividend paid	-	-	(976)	(1,952)
Net cash from financing activities	52	3,943	(267)	4,931
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,884)	1,492	(7,690)	2,291
EFFECT OF CURRENCY TRANSLATION	587	356	1,105	485
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	22,548	22,998	26,836	22,070
CASH AND CASH EQUIVALENTS AT END OF PERIOD	20,251	24,846	20,251	24,846

Note d: Acquisition of a subsidiary, net of cash acquired

	Nine months ended 30 September 2007 **US$'000**	**Nine months ended 30 September 2006** **US$'000**
The assets and liabilities of a subsidiary acquired during the period are as follows:		
Non-current assets	-	7,682
Current assets	-	19,961
Current liabilities	-	(16,647)
Non-current liabilities	-	(4,283)
Net assets acquired	-	6,713
Minority interests	-	(3,265)
Goodwill	-	3,506
Total cost of acquisition	-	6,954
Net cash outflow arising on acquisition		
Cash consideration paid	-	5,654
Direct expenses relating to the acquisition	-	1,300
Less:		
Accrual direct cost on acquisition	-	(126)
Cash and cash equivalent acquired	-	(5,292)
Cash outflow on acquisition, net of cash and cash equivalent acquired	-	1,536

Note e: The Group acquired property, plant and equipment with aggregate cost of approximately US$6,339,000 (3Q2006: US$ 5,788,000) of which US$326,000 (3Q2006: US$362,000) was acquired by means of finance leases. Cash payment of approximately US$6,013,000 (3Q2006: US$5,426,000) 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	Revaluation reserve US$000	Currency translation reserve US$'000	Accumulated profits US$'000	Attributable to equity holders of the Company US$'000	Minority interests US$'000	Total US$'000
Balance as at 1 January 2007	9,760	17,654	542	(7,020)	2,435	302	1,157	12	1,629	23,162	49,633	3,455	53,088
Gains on fair-value changes for available-for-sale investments	-	-	-	-	-	-	-	26	-	-	26	-	26
Currency translation differences	-	-	-	-	-	-	-	-	451	-	451	-	451
Net income recognized directly in equity	-	-	-	-	-	-	-	26	451	-	477	-	477
Profit for the three-month period	-	-	-	-	-	-	-	-	-	1,259	1,259	286	1,545
Total recognized income and expenses for the year	-	-	-	-	-	-	-	26	451	1,259	1,736	286	2,022
Transfer on cancellation of share options	-	-	(542)	-	-	-	-	-	-	542	-	-	-
Balance as at 31 March 2007	9,760	17,654	-	(7,020)	2,435	302	1,157	38	2,080	24,963	51,369	3,741	55,110
Loss on fair-value changes for available-for-sale investments	-	-	-	-	-	-	-	(2)	-	-	(2)	-	(2)
Currency translation differences	-	-	-	-	-	-	-	-	415	-	415	-	415
Net income recognized directly in Equity	-	-	-	-	-	-	-	(2)	415	-	413	-	413
Loss for the three-month period	-	-	-	-	-	-	-	-	-	(769)	(769)	48	(721)
Total recognized income and expenses for the year	-	-	-	-	-	-	-	(2)	415	(769)	(356)	48	(308)
Share-based payment expense	-	-	71	-	-	-	-	-	-	-	71	-	71
Dividends paid	-	-	-	-	-	-	-	-	-	(976)	(976)	-	(976)
Appropriations	-	-	-	-	168	-	1	-	-	(169)	-	-	-
Balance as at 30 June 2007	9,760	17,654	71	(7,020)	2,603	302	1,158	36	2,495	23,049	50,108	3,789	53,897
Loss on fair-value changes for available-for-sale investments	-	-	-	-	-	-	-	(18)	-	-	(18)	-	(18)
Currency translation differences	-	-	-	-	-	-	-	-	1,084	-	1,084	-	1,084
Net income recognized directly in Equity	-	-	-	-	-	-	-	(18)	1,084	-	1,066	-	1,066
Loss for the three-month period	-	-	-	-	-	-	-	-	-	(416)	(416)		(416)
Total recognized income and expenses for the year	-	-	-	-	-	-	-	(18)	1,084	(416)	650		650
Issue of share capital as consideration for acquisition of a subsidiary	368	1,368	-	-	-	-	-	-	-	-	1,736		1,736
Minority interests in relation to the acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(3,789)	(3,789)
Share-based payment expense	-	-	71	-	-	-	-	-	-	-	71	-	71
Appropriations	-	-	-	-	683	1	1	-	-	(685)	-		-
Balance as at 30 September 2007	10,128	19,022	142	(7,020)	3,286	303	1,159	18	3,579	21,948	52,565	-	52,565

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 (continued)

	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	Revaluation reserve US$000	Currency translation reserve US$'000	Accumulated profits US$'000	Attributable to equity holders of the Company US$'000	Minority interests 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	-	46,965
Currency translation differences	-	-	-	-	-	-	-	-	206	-	206	-	206
Net income recognized directly in equity	-	-	-	-	-	-	-	-	206	-	206	-	206
Profit for the three-month period	-	-	-	-	-	-	-	-	-	2,222	2,222	-	2,222
Total recognized income and expenses for the year	-	-	-	-	-	-	-	-	206	2,222	2,428	-	2,428
Share-based payment expenses	-	-	98	-	-	-	-	-	-	-	98	-	98
Appropriation	-	-	-	-	1	-	-	-	-	(1)	-	-	-
Balance as at 31 March 2006	9,760	17,654	196	(7,020)	1,333	302	1,155	-	887	25,224	49,491	-	49,491
Currency translation differences	-	-	-	-	-	-	-	-	149	-	149	-	149
Net income recognized directly in equity	-	-	-	-	-	-	-	-	149	-	149	-	149
Profit for the three-month period	-	-	-	-	-	-	-	-	-	1,465	1,465	-	1,465
Total recognized income and expenses for the year	-	-	-	-	-	-	-	-	149	1,465	1,614	-	1,614
Share-based payment expense	-	-	99	-	-	-	-	-	-	-	99	-	99
Dividends paid	-	-	-	-	-	-	-	-	-	(1,952)	(1,952)	-	(1,952)
Appropriations	-	-	-	-	785	-	2	-	-	(787)	-	-	-
Balance as at 30 June 2006	9,760	17,654	295	(7,020)	2,118	302	1,157	-	1,036	23,950	49,252	-	49,252
Currency translation differences	-	-	-	-	-	-	-	-	261	-	261	-	261
Net income recognized directly in equity	-	-	-	-	-	-	-	-	261	-	261	-	261
Profit for the three-month period	-	-	-	-	-	-	-	-	-	588	588	90	678
Total recognized income and expenses for the year	-	-	-	-	-	-	-	-	261	588	849	-	939
Minority interests in relation to the acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	3,265	3,265
Share-based payment expense	-	-	99	-	-	-	-	-	-	-	99	-	99
Balance as at 30 September 2006	9,760	17,654	394	(7,020)	2,118	302	1,157	-	1,297	24,538	50,200	3,355	53,555

The issuer's statement of changes in equity with a comparative statement for the corresponding period of 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$'000	Accumulated profits US$'000	Total US$'000
Balance as at 1 January 2007	9,760	17,654	542	241	28,197
Loss for the three-month period	-	-	-	(128)	(128)
Transfer on cancellation of share options	-	-	(542)	542	-
Balance as at 31 March 2007	9,760	17,654	-	655	28,069
Profit for the three-month period	-	-	-	798	798
Share-based payment expense	-	-	71	-	71
Dividend	-	-	-	(976)	(976)
Balance as at 30 June 2007	9,760	17,654	71	477	27,962
Share capital issued	368	1,368			1,736
Loss for the three-month period	-	-	-	(140)	(140)
Share-based payment expense	-	-	71	-	71
Balance as at 30 September 2007	10,128	19,022	142	337	29,629

	Issued capital of the Company US$'000	Share premium of the Company US$'000	Share option reserve US$'000	Accumulated profits US$'000	Total US$'000
Balance as at 1 January 2006	9,760	17,654	98	603	28,115
Share-based payment expense	-	-	98	-	98
Loss for the three-month period	-	-	-	(186)	(186)
Balance as at 31 March 2006	9,760	17,654	196	417	28,027
Share -based payment expense	-	-	99	-	99
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	295	274	27,983
Share -based payment expense	-	-	99	-	99
Loss for the three-month period	-	-	-	(92)	(92)
Balance as at 30 September 2006	9,760	17,654	394	182	27,990

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 2006, 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.

As stated at Note c to Paragraph 1(b)(i), the Company allotted and issued 18,405,221 new ordinary shares with a par value of US$0.02 each to Mr. Kunikazu Yoshimi as consideration for the acquisition of the Second

Tranche Sale Shares. As at 30 September 2007, the Company's issued and fully paid up share capital was US$10,128,104 represented by 506,405,221 ordinary shares of US$0.02 each.

On 12 September 2005, a total number of 18,056,000 share options were granted to and were subsequently accepted by the senior executives (including two executive directors). The options are exercisable at S$0.305 per share with an exercise period commencing from 12 September 2006 until 11 September 2010 (both days inclusive). On 27 February 2007, the committee (the "Committee") duly authorized and appointed by the Company's board of directors to administer the CDW Holding Share Option Scheme (the "Scheme") resolved that the unexercised share options shall lapse and be cancelled on the ground that the objectives of the Scheme have not been met. The resolution was subsequently accepted by all the share option holders and all unexercised share options granted were cancelled prior to 31 March 2007.

On 9 March 2007, the Chief Executive Officer of the Company proposed to grant options to two executive directors and eleven senior executives (the "Participants") to subscribe for a total of 20,496,000 ordinary shares of S$0.02 each in the capital of the Company. This proposal was adopted by the Committee and options granted were accepted by the Participants in April 2007. The option will be exercisable at S$0.13 per share with an exercise period commencing from 9 March 2008 to 10 March 2012 (both days inclusive).

As at 30 September 2007, the option is within vesting period. According to International Accounting Standard, the non-vested ordinary share options are treated as options in the calculation of diluted earning per share ("DEPS") even though they may be contingent on vesting. The weighted average number of ordinary shares for the purpose of calculating DEPS increased by 1,786,000 shares for nine months ended 30 September 2007 and by 2,370,000 shares for three months ended 30 September 2007 for the purpose of calculating DEPS.

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 any independent auditor.

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 2006.

In addition, the Group has applied, for the first time, a number of new standards, amendments and interpretations issued by the International Federation of Accountants as follows. The adoption of these new standards, amendments and interpretations has had no material effect on the results or financial position of the Group for the current or prior account periods. Accordingly, no prior period adjustment has been made.

IAS 1	(Amendment) Capital Disclosure
IFRS 7	Financial Instruments: Disclosure
IFRIC 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
IFRIC 8	Scope of IFRS 2
IFRIC 9	Reassessment of Embedded Derivatives
IFRIC 10	Interim Financial Reporting and Impairment

The Group has not early applied the following new standards or interpretations that have been issued but are not yet effective. The directors anticipate the application of the following new standards or interpretations will not have material impact to the financial statements.

IAS 23	(Revised) Borrowing costs
IFRS 8	Operating segments
IFRIC 11	IFRS 2- Group and treasury share transactions
IFRIC 12	Service concession arrangements
IFRIC 13	Customer Loyalty Programmes

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 period based on profit attributable to shareholders on 1(a) above	Three months / third quarter ended 30 September		Nine months ended 30 September	
	2007	2006	2007	2006
Based on weighted average number of ordinary shares in issue (US cents)				
- Basic	(0.09)	0.12	0.02	0.88
- Fully diluted	(0.08)	N/A	0.02	N/A
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share	488,000,000	488,000,000	488,000,000	488,000,000
Effect of dilutive share options	2,370,000	-	1,786,000	-
Weighted average number of ordinary shares for the purposes of diluted earnings per ordinary share	490,370,000	488,000,000	489,786,000	488,000,000

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 September 2007	31 December 2006
Net assets value per ordinary share (US cents)		
- The Group	10.38	10.17
- The Company	5.85	5.77

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

Profit and Loss

The Group's revenue was US$ 44.0 million in 3Q2007 and increased by 14.4% to US$130.1 million for the first nine months in 2007 over the same period last year.

The Group experienced a loss of US$0.4 million in this quarter due to the reasons as mentioned below. For the first nine months in 2007, the net profit attributable to shareholders declined by 98.3% to US$0.07 million over the same period last year.

LCD BLU

Revenue from the LCD BLU division was US$23.3 million in 3Q2007 and increased by 11.0% to US$74.8 million for the first nine months in 2007 over the same period last year. This was attributable primarily to the increasing demand from existing customers and orders from new customers for handsets and gameset entertainment equipment. The consolidation of LCD BLU suppliers in the gameset industry has also enabled the Group to gain more market share. However, operating profit for the division remained at a low level of US$0.2 million in 3Q2007 as the impact of the relocation of our production base to meet the logistic needs of a key customer continued affecting the Group's results because of the higher production costs and distribution expenses. At the same time, design changes introduced by a customer led to higher input costs.

LCD frames

Revenue from the LCD frames division was US$2.7 million in 3Q2007 and declined by 21.0% to US$8.2 million for the first nine months in 2007 over the same period last year. Under-utilisation of the production facilities arising from the relocation to the new Suzhou factory resulted in an operational loss of US$0.7 million in 3Q2007 and accumulated losses of US$1.3 million for the first nine months of 2007.

Precision accessories

Revenue from the precision accessories division for office equipment and electrical appliances was US$6.8 million in 3Q2007 and increased by 37.6% to US$17.8 million for the first nine months in 2007 over the same period last year. Operating profit for the division was US$1.0 million in 3Q2007 and increased by 31.4% to US$2.7 million in the first nine months in 2007 over the same period last year. Japan Tomoike was a major contributor to the increase in sales and operating profit in this division.

Trading

Revenue from the trading division was US$11.3 million in 3Q2007 and increased by 27.4% to US$29.4 million in the first nine months in 2007 over the same period last year. Operating profit for the division increased by 12.7% and 173.7% to US$0.3 million and US$0.7 million in 3Q2007 and in the first nine months in 2007 over the same period last year respectively.

Other operating income was US$0.3 million in 3Q2007 and increased by 15.5% to US$0.6 million for the first nine months in 2007 over the same period last year. The increase was mainly due to additional income from sales of scrap materials.

Distribution expenses were US$1.5 million in 3Q2007 and increased by 92.8% to US$3.7 million in the first nine months in 2007 over the same period last year. This was mainly due to the additional expenses incurred in the acquisition of Japan Tomoike and for optimizing utilization of each production facility as mentioned above under the LCD BLU segment.

Administrative expenses were US$6.1 million in 3Q2007 and increased by 54.9% to US17.4 million in the first nine months in 2007 over the same period last year. This was mainly due to the consolidation of Japan Tomoike's administrative expenses.

Income tax expense was US$0.3 million in 3Q2007 and increased by 121.6% to US$0.9 million for the first nine months in 2007 over the same period of last year. The higher income tax expense resulted from the consolidation of the full period of income tax expense incurred by Japan Tomoike in the first nine months in 2007 as compared to the consolidation of only three months period of income tax expense incurred after the acquisition of Japan Tomoike in July 2006 over the same period last year.

Finance cost was US$0.2 million in 3Q2007 and amounted to US$0.6 million for the first nine months in 2007.

Balance Sheet
As at 30 September 2007, the Group has total assets of US$103.4 million.

Cash and bank balances and pledged deposits decreased to US$21.9 million as at 30 September 2007 from US$27.9 million at as 31 December 2006. The decrease was caused by the cash outflow for an increase in inventories and by the payment for property, plant and equipment of the new plant in Suzhou.

Property, plant and equipment increased to US$24.8 million as at 30 September 2007 from US$21.2 million as at 31 December 2006. The increase was resulted from capital expenditure in the new Suzhou factory.

Goodwill decreased to US$1.5 million as at 30 September 2007 from US$3.6 million as at 31 December 2006. The decrease was caused by a negative goodwill, being the amount of net assets acquired less the acquisition cost, arising from the Second Tranche Sales Shares of Japan Tomoike. This negative goodwill was an offset against the goodwill arising from the First Tranche Sales Shares of Japan Tomoike as a part of the price adjustment to the total acquisition cost of Japan Tomoike.

Available-for-sale investments increased to US$2.6 million as at 30 September 2007 from US$1.0 million as at 31 December 2006 as the Group entered into a convertible loan ("Convertible Loan") with a mobile phone company to form a strategic alliance in a niche handset market to increase sales in LCD BLU in the future.

Inventories increased to US$17.2 million as at 30 September 2007 from US$14.0 million as at 31 December 2006 as the Group experienced the increasing demand from customers for handsets and gameset entertainment equipment.

Bank and other borrowings increased to US$15.0 million as at 30 September 2007 from US$13.4 million as at 31 December 2006, which was in line with the increase in working capital.

Issued capital increased from US$9.8 million as at 31 December 2006 to US$10.1 million as at 30 September 2007. The increase represented the full settlement for the acquisition of Japan Tomoike. Total shareholders' equity increased to US$ 52.6 million as at 30 September 2007 from US$ 49.6 million as at 31 December 2006.

The Group's net asset value per share increased to 10.38 US cents as at 30 September 2007 from 10.17 US cents as at 31 December 2006.

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

The losses in the third quarter indicate that we may not turn around to profitability for the current financial year.

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 loss in our LCD frames division is expected to continue into the fourth quarter. Until we stem the loss, the Group may not be able to achieve profitability for the current financial year.

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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 – 2007

CDW Holding Limited
Business segment for the nine months ended 30 September 2007

	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	29,367	74,776	17,790	8,214		130,147
Inter-segment sales	892	926	1,003	543	(3,364)	-
Total revenue	30,259	75,702	18,793	8,757		130,147
Results						
Segment result	709	1,737	2,747	(1,319)		3,874
Unallocated corporate expense						(2,190)
Operating profit						1,684
Interest income						226
Interest expenses						(589)
Profit before income tax						1,321
Income tax expense						(913)
Profit after income tax						408
Assets						
Segment assets	21,004	40,217	16,760	19,139	(958)	96,162
Unallocated assets						7,235
Total assets						103,397
Liabilities						
Segment liabilities	13,665	12,959	5,423	1,920	(958)	33,009
Bank borrowings and obligation under finance leases						15,848
Unallocated liabilities						1,975
Total liabilities						50,832
Other information						
Capital expenditure	467	566	211	5,095		6,339
Depreciation of property, plant and equipment	263	924	558	1,011		2,756

Primary reporting format-Business Segments – 2006

CDW Holding Limited
Business segment for the nine months ended 30 September 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	23,059	67,381	12,932	10,397		113,769
Inter-segment sales (Note f)	-	1,626	590	485	(2,701)	-
Total revenue	23,059	69,007	13,522	10,882		113,769
Results						
Segment result	259	4,534	2,090	6		6,889
Unallocated corporate expense						(1,975)
Operating profit						4,914
Interest income						214
Interest expenses						(351)
Profit before income tax						4,777
Income tax expense						(412)
Profit after income tax						4,365
Assets						
Segment assets	40,731	28,340	6,094	18,813	(2,726)	91,252
Unallocated assets						3,971
Total assets						95,223
Liabilities						
Segment liabilities	22,559	3,650	908	2,605	(2,726)	26,996
Bank borrowings and obligation under finance leases						14,482
Unallocated liabilities						190
Total liabilities						41,668
Other information						
Capital expenditure	204	1,347	136	3,739		5,426
Depreciation of property, plant and equipment	343	845	195	735		2,118

Note f: The figures have been reclassified in order to conform to the current year's presentation. In prior periods, the sales of raw materials for production from one group company to another were classified as inter-segment sales from parts trading segment to other manufacturing segments. These inter-segment sales and their corresponding receivables and payables were then recorded under respective segments, and were eliminated under the "Eliminations" column. In the current period, the aforesaid sales of raw materials for production are no longer treated as inter-segment sales. Hence there are no corresponding inter-segment eliminations of these sales and their receivables and payables shown under the "Eliminations" column.

GROUP SEGMENTAL REPORTING

Secondary reporting format – Geographical Segments

	Revenue		Total Assets		Capital Expenditure	
	Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
Hong Kong	52,303	44,509	22,962	18,958	225	281
PRC	39,603	51,761	52,486	51,070	5,785	5,068
Japan	34,713	17,236	27,949	25,195	329	77
Others	3,528	263	-	-	-	-
Total	130,147	113,769	103,397	95,223	6,339	5,426

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 generated more revenue in Hong Kong where revenue increased by 17.5% to US$52.3 million for the first nine months in 2007 compared to the previous corresponding period. Revenue in Hong Kong accounted for 40.2% of the total revenue for the first nine months in 2007. The increase was due to sales of BLUs produced in Dongguan, invoiced as part of Hong Kong's sales. For the same reason, sales to entities located in PRC decreased by 23.5% to US$39.6 million for the first nine months in 2007 compared to the previous corresponding period. Sales to Japan amounted to US$34.7 million, which accounted for 26.7% of the total sales for the first nine months in 2007. This represented an increase of 101.4% as compared to the previous corresponding period. The increase in sales to Japan was attributable to the increase in sales volume contributed by Japan Tomoike.

The total asset located in Hong Kong increased by 21.1% from US$19.0 million as at 30 September 2006 to US$23.0 million as at 30 September 2007 as the Company entered into the Convertible Loan. During the first nine months in 2007, the Group invested a total capital expenditure of US$5.8 million in the production facilities in PRC as compared to US$0.2 million and US$0.3 million in Hong Kong and Japan respectively.

15. A breakdown of sales

	Nine months ended 30 September		
	2007 US$'000	2006 US$'000	% Increase / (Decrease)
Sales reported for the first quarter	46,747	44,212	5.7%
Sales reported for the second quarter	39,358	31,676	24.3%
Sales reported for the third quarter	44,042	37,881	16.3%
Operating profit after tax for the first quarter	1,545	2,222	(30.5%)
Operating (loss)/profit after tax for the second quarter	(721)	1,465	(149.2%)
Operating (loss)/profit after tax for the third quarter	(416)	678	(161.4%)

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 nine months ended 30 September 2007**

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) US$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to rule 920 (excluding transactions less than S$100,000) US$'000
1. Tomoike Industrial Co., Limited ("Japan Tomoike")		
Purchase of raw materials and semi-finished goods from Japan Tomoike	-	16,519
Revenue from Japan Tomoike for assembly of LCD backlight units and its related components and precision accessories for office and electrical appliances	-	7,738
2. J&T Flex Technology Co., Limited ("J&T")		
Purchase of parts for trading from J&T	465	-
3. Mikuni Co., Limited		
Support services and marketing services to Japan Tomoike	87	-
Total	552	24,257

We, Kunikazu Yoshimi and Lai Shi Hong, Edward, confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of the directors of the Company which may render the financial results for the nine months ended 30 September 2007 to be false or misleading.

BY ORDER OF THE BOARD

Kunikazu YOSHIMI
Executive Director
14 November 2007

LAI Shi Hong, Edward
Executive Director