

Unaudited Half Year Financial Statements And Dividend Announcement for the Six Months / Second Quarter Ended 30 June 2008
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), 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 June 2008**

	Note	Three months / second quarter ended 30 June			Six months / half year ended 30 June		
		2008 US\$'000	2007 US\$'000	% Increase/ (Decrease)	2008 US\$'000	2007 US\$'000	% Increase/ (Decrease)
Revenue		36,032	39,358	(8.5%)	70,717	86,105	(17.9%)
Cost of sales		(29,566)	(33,011)	(10.4%)	(56,678)	(71,069)	(20.2%)
Gross profit		6,466	6,347	1.9%	14,039	15,036	(6.6%)
Other operating income		207	309	(33.0%)	381	394	(3.3%)
Distribution expenses		(1,005)	(1,203)	(16.5%)	(1,925)	(2,208)	(12.8%)
Administrative expenses		(6,051)	(5,962)	1.5%	(13,126)	(11,341)	15.7%
Finance costs		(121)	(248)	(51.2%)	(277)	(400)	(30.8%)
(Loss)/Profit before income tax	(1)	(504)	(757)	(33.4%)	(908)	1,481	(161.3%)
Income tax (expense)/credit		(148)	36	(511.1%)	(379)	(657)	(42.3%)
(Loss)/Profit after income tax		(652)	(721)	(9.6%)	(1,287)	824	(256.2%)
Attributable to:							
Equity holders of the Company		(652)	(769)	(15.2%)	(1,287)	490	(362.7%)
Minority interests		-	48	N/A	-	334	N/A
		(652)	(721)	(9.6%)	(1,287)	824	(256.2%)

Note (1)

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

	Three months / second quarter ended 30 June		Six months / half year ended 30 June	
	2008 US\$'000	2007 US\$'000	2008 US\$'000	2007 US\$'000
Depreciation	994	903	1,908	1,828
Interest income	(76)	(101)	(124)	(163)
Net foreign exchange (gain) / loss (Note a)	(627)	39	561	250
Allowance for inventories	312	101	422	569
Change in fair value of derivative financial instruments	212	166	212	166

Note a: The foreign currency exchange loss for the six months ended 30 June 2008 comprised mainly unrealized net loss on translating monetary assets less monetary liabilities in foreign currency, mainly United States dollars and Japanese Yen, to functional currency at each Group entity and realized net loss on payments denominated in foreign currencies other than the functional currency in each Group entity.

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 June 2008

	The Group		The Company	
	As at 30 June 2008 US\$'000	As at 31 December 2007 US\$'000	As at 30 June 2008 US\$'000	As at 31 December 2007 US\$'000
<u>ASSETS</u>				
Current assets				
Cash and bank balances	24,997	29,509	92	92
Trade receivables	25,227	27,426	-	-
Other receivables and prepayments	1,754	1,204	13	30
Prepaid lease payments	9	9	-	-
Income tax recoverable	183	152	-	-
Inventories	15,125	13,617	-	-
Pledged bank deposits (Note b)	1,880	1,622	-	-
Total current assets	69,175	73,539	105	122
Non-current assets				
Goodwill	1,516	1,516	-	-
Available-for-sale investments	2,498	2,549	1,502	1,511
Held-to-maturity investment	970	988	-	-
Other assets	689	675	-	-
Amount due from a subsidiary	-	-	17,994	18,303
Prepaid lease payments	465	442	-	-
Property, plant and equipment	25,880	24,653	-	-
Subsidiaries	-	-	10,492	10,397
Total non-current assets	32,018	30,823	29,988	30,211
Total assets	101,193	104,362	30,093	30,333
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Bank and other borrowings	13,119	16,320	-	-
Trade payables	22,087	24,958	-	-
Other payables and accruals	6,531	3,685	192	182
Derivative financial instruments	212	-	-	-
Current portion of obligation under finance leases	382	397	-	-
Income tax payable	264	531	-	-
Total current liabilities	42,595	45,891	192	182
Non-current liabilities				
Bank and other borrowings	3,059	3,950	-	-
Obligation under finance leases	398	324	-	-
Retirement benefit obligations	520	636	-	-
Deferred tax liabilities	609	626	-	-
Total non-current liabilities	4,586	5,536	-	-
Capital and reserves				
Issued capital	10,128	10,128	10,128	10,128
Reserves	43,884	42,807	19,773	20,023
Equity attributable to equity holders of the Company	54,012	52,935	29,901	30,151
Minority interests	-	-	-	-
Total equity	54,012	52,935	29,901	30,151
Total liabilities and equity	101,193	104,362	30,093	30,333

Note b: As at 30 June 2008, the Group's fixed deposits of approximately US\$1.9 million (31 December 2007: US\$1.6 million) were pledged to financial institutions to secure borrowings and other unutilized banking facilities of 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 30 June 2008		As at 31 December 2007	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Bank and other borrowings	1,653	11,466	4,750	11,570
Obligation under finance leases	382	-	397	-
Total	2,035	11,466	5,147	11,570

Amount repayable after one year

	As at 30 June 2008		As at 31 December 2007	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Bank and other borrowings	-	3,059	44	3,906
Obligation under finance leases	398	-	324	-
Total	398	3,059	368	3,906

Details of collateral

As at 30 June 2008, the Group's fixed deposit of approximately US\$1.9 million (31 December 2007: US\$1.6 million) and property, plant and equipment with net book value of approximately US\$2.5 million (31 December 2007: US\$2.0 million) were pledged to financial institutions to secure borrowings and other unutilized banking facilities 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 June 2008

	Three months / second quarter ended 30 June		Six months / half year ended 30 June	
	2008 US\$'000	2007 US\$'000	2008 US\$'000	2007 US\$'000
CASH FROM OPERATING ACTIVITIES				
(Loss)/Profit before income tax	(504)	(757)	(908)	1,481
Adjustments for				
Share-based payment expenses	23	71	94	71
Allowance for inventories	312	101	422	569
Change in fair value of derivative financial instruments	212	166	212	166
Depreciation	994	903	1,908	1,828
Amortization of prepaid lease payments	3	-	5	-
Interest income	(76)	(101)	(124)	(163)
Interest expenses	121	248	277	400
Loss on disposal of property, plant and equipment	23	317	33	334
Retirement benefit obligations	28	(5)	(163)	20
Operating cash flows before movements in working capital	1,136	943	1,756	4,706
Trade receivables, other receivables and prepayments	2,695	2,916	2,771	948
Inventories	(790)	(1,749)	(1,159)	(3,644)
Trade payables, other payables and accruals	3,916	886	(1,794)	133
Cash generated from operations	6,957	2,996	1,574	2,143
Income tax paid	(329)	(181)	(760)	(790)
Interest paid	(121)	(248)	(277)	(400)
Net cash from operating activities	6,507	2,567	537	953
INVESTING ACTIVITIES				
Proceeds from disposal of property, plant and equipment	139	-	227	41
Decrease/(Increase) in other assets	34	(10)	34	(149)
Purchase of available-for-sale investments	(3)	(3)	(6)	(5)
Purchase of property, plant and equipment (Note c)	(1,159)	(1,677)	(1,551)	(5,490)
Interest income received	76	101	124	163
Net cash used in investing activities	(913)	(1,589)	(1,172)	(5,440)
FINANCING ACTIVITIES				
Proceeds from bank and other borrowings	46,953	27,847	77,170	43,653
Repayment of obligation under finance leases	(156)	(115)	(299)	(215)
Repayment of bank and other borrowings	(48,406)	(29,041)	(81,449)	(42,773)
Increase in pledged bank deposits	(248)	(6)	(258)	(8)
Dividend paid	(506)	(976)	(506)	(976)
Net cash used in financing activities	(2,363)	(2,291)	(5,342)	(319)
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,231	(1,313)	(5,977)	(4,806)
EFFECT OF CURRENCY TRANSLATION	(1,138)	282	1,465	518
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	22,904	23,579	29,509	26,836
CASH AND CASH EQUIVALENTS AT END OF PERIOD	24,997	22,548	24,997	22,548

Note c: During 1H08, the Group acquired property, plant and equipment with aggregate cost of approximately US\$1,861,000 (1H07: US\$5,703,000) of which US\$310,000 (1H07: US\$213,000) was acquired by means of finance leases. Cash payment of approximately US\$1,551,000 (1H07: US\$5,490,000) 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

The group's statement of changes in equity with a comparative statement for the corresponding period of immediately preceding financial year is as follows:

	Share Capital 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	Other Reserve US\$'000	Revaluation reserve US\$000	Currency translation reserve US\$'000	Retained earnings US\$'000	Attributable to equity holders of the Company US\$'000	Minority interests US\$'000	Total US\$'000
Balance as at 1 January 2008	10,128	19,022	213	(7,020)	4,108	303	1,163	18	4,717	20,283	52,935	-	52,935
Loss on fair-value changes for available-for-sale investments	-	-	-	-	-	-	-	(206)	-	-	(206)	-	(206)
Currency translation differences	-	-	-	-	-	-	-	-	2,603	-	2,603	-	2,603
Net income recognized directly in equity	-	-	-	-	-	-	-	(206)	2,603	-	2,397	-	2,397
Loss for the three-month period	-	-	-	-	-	-	-	-	-	(635)	(635)	-	(635)
Total recognized income and expenses for the period	-	-	-	-	-	-	-	(206)	2,603	(635)	1,762	-	1,762
Share-based payment expense	-	-	71	-	-	-	-	-	-	-	71	-	71
Balance as at 31 March 2008	10,128	19,022	284	(7,020)	4,108	303	1,163	(188)	7,320	19,648	54,768	-	54,768
Gains on fair-value changes for available-for-sale investments	-	-	-	-	-	-	-	100	-	-	100	-	100
Currency translation differences	-	-	-	-	-	-	-	-	279	-	279	-	279
Net income recognized directly in Equity	-	-	-	-	-	-	-	100	279	-	379	-	379
Loss for the three-month period	-	-	-	-	-	-	-	-	-	(652)	(652)	-	(652)
Total recognized income and expenses for the period	-	-	-	-	-	-	-	100	279	(652)	(273)	-	(273)
Transfer on cancellation of share option	-	-	(265)	-	-	-	-	-	-	265	-	-	-
Share-based payment expense	-	-	23	-	-	-	-	-	-	-	23	-	23
Dividends paid	-	-	-	-	-	-	-	-	-	(506)	(506)	-	(506)
Balance as at 30 June 2008	10,128	19,022	42	(7,020)	4,108	303	1,163	(88)	7,599	18,755	54,012	-	54,012

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)

	Share Capital 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	Other Reserve US\$'000	Revaluation reserve US\$000	Currency translation reserve US\$'000	Retained earnings 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 period	-	-	-	-	-	-	-	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 period	-	-	-	-	-	-	-	(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

The issuer's statement of changes in equity with a comparative statement for the corresponding period of immediately preceding financial year is as follows:

	Share Capital US\$'000	Share premium of the Company US\$'000	Share option reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Balance as at 1 January 2008	10,128	19,022	213	788	30,151
Loss for the three-month period	-	-	-	(159)	(159)
Share-based payment expense	-	-	71	-	71
Balance as at 31 March 2008	10,128	19,022	284	629	30,063
Profit for the three-month period	-	-	-	321	321
Share-based payment expense	-	-	23	-	23
Transfer on cancellation of share options	-	-	(265)	265	-
Dividends paid	-	-	-	(506)	(506)
Balance as at 30 June 2008	10,128	19,022	42	709	29,901

	Share Capital US\$'000	Share premium of the Company US\$'000	Share option reserve US\$'000	Retained earnings 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
Dividends paid	-	-	-	(976)	(976)
Balance as at 30 June 2007	9,760	17,654	71	477	27,962

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 for 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 well as the number of shares held as treasury shares, if any, against the total number of issued share excluding treasury shares of the issuer, 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 30 June 2008 and 31 December 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 9 March 2007, the Chief Executive Officer of the Company proposed to grant options to three executive directors and ten senior executives (the "Participants") to subscribe for a total of 20,496,000 ordinary shares of US\$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).

On 23 May 2008, the Remuneration 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 the Participants and 19,032,000 share options granted were cancelled prior to 30 June 2008.

On 11 June 2008, the Chief Executive Officer of the Company proposed to grant options to four executive directors and eight senior executives (the "Participants") to subscribe for a total 19,032,000 ordinary share of US\$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 June 2008. The option will be exercisable at S\$0.07 per share with an exercise period commencing from 11 June 2009 to 11 June 2013 (both days inclusive).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at period ended 30 June 2008 and 31 December 2007, the total number of issued shares was 506,405,221. There was no treasury share at both period end and year end.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury share during the current financial period reported on.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

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 recent 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 2007.

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 financial 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 / second quarter ended 30 June		Six months / half year ended 30 June	
	2008	2007	2008	2007
	Based on weighted average number of ordinary shares in issue (US cents)			
- Basic	(0.12)	(0.16)	(0.25)	0.10
- Fully diluted (Note d)	(0.12)	(0.16)	(0.25)	0.10
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share	506,405,221	488,000,000	506,405,221	488,000,000
Effect of dilutive share options	-	2,850,000	-	1,789,000
Weighted average number of ordinary shares for the purposes of diluted earnings per ordinary share	<u>506,405,221</u>	<u>490,850,000</u>	<u>506,405,221</u>	<u>489,789,000</u>

Note d: There is no diluted earnings per share as the average market price of ordinary shares during the period from the issue of the share options to the balance sheet date was below the exercise price for the granted options.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury share of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year

	30 June 2008	31 December 2007
Net assets value per ordinary share (US cents)		
- The Group	10.67	10.45
- The Company	5.90	5.95

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) 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, and (b) 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 saw a drop in its revenue by 17.9% to US\$70.7 million in 1H08 over the corresponding period in the previous year, as the Group had fewer orders from customers in LCD BLU division. The Group recorded a drop in revenue in 2Q08 by 8.5% to US\$36.0 million as compared to the corresponding quarter in the previous year.

Gross profit recorded a decrease of 6.6% to US\$14.0 million in 1H08 over the corresponding period in the previous year, which was caused by the drop in revenue in 1H08. In 2Q08, gross profit increased by 1.9% to US\$6.5 million, as a result of manufacturing less-complicated assembly products which had a higher margin.

Due to the reasons mentioned below, the Group recorded a loss after income tax of US\$1.3 million in 1H08 compared to a profit after income tax of US\$0.8 million in the corresponding period of the previous year.

LCD BLU

The major part of the Group's business lies in supplying LCD BLU to LCD module makers for the mobile phone industry, as well as, the gameset industry. One of the key mobile phone manufacturers changed its procurement strategy and shifted its procurement to another LCD module maker, who is not our customer. As a result of this change, the Group received fewer orders from the key customers, causing substantial drop in revenue by 26.0% to US\$38.7 million in 1H08 as compared to revenue in the corresponding period in the previous year.

In 1H08, the Group produced 9.3 million and 13.2 million pieces of backlight units for mobile phone and other handheld devices respectively as compared to 16.8 million and 13.7 million pieces for the corresponding period in the previous year.

The decline in revenue led to a decrease in the operating profit to US\$0.4 million in 1H08 over the corresponding period in the previous year.

LCD Frames

LCD frames division recorded revenue of US\$8.7 million in 1H08 compared to US\$5.8 million in 1H07, as a result of more long-term orders being placed by our customers. Despite the continuing recovery from the relocation of the production facilities, LCD frames division recorded an operating loss of US\$0.4 million in 1H08 after writing off obsolete inventories and making provision for underpayment of value-added tax on disposal of scrap materials in prior periods.

Precision Accessories

Revenue from the precision accessories division for office equipment and electrical appliances increased steadily to US\$12.1 million in 1H08.

The Group started a new factory in Dongguan that focuses on precision accessories, and production started in July 2008. Prior to the opening of the new plant, it had incurred US\$0.1 million in operating expenses in 2Q08. Having fewer high margin orders received in Japan, operating profit for the division decreased by 52.6% to US\$0.8 million in 1H08 over the corresponding period in the previous year.

Trading

Revenue from the trading division decreased by 25.7% to US\$13.8 million in 1H08 as compared with that in the corresponding period in the previous year. The division incurred an operating loss of US\$0.03 million in 1H08 as compared with the operating profit of US\$0.4 million in 1H07. The loss was attributable to fewer orders received in Japan. The loss of LCD BLU business also affected the trading division as some of its businesses are co-related.

The Group's distribution expenses in 1H08 decreased by 12.8% to US\$1.9 million over the corresponding period in the previous year. The decrease was attributable to the fact that in 1H08 the Group did not incur additional costs for relocating its production base to meet the logistics needs of a key customer in 2007.

Administrative expenses increased by 15.7% to US\$13.1 million in 1H08 over the corresponding period in the previous year. Apart from inflationary effects of US\$0.9 million as a result of appreciating RMB and Japanese yen against US dollars, the surge in administrative expenses was also attributed to the increase in headcounts and salary-related expenses, depreciation charge and rental expenses incurred along with the Group's expansion exercises.

Finance cost remains at a healthy level at US\$0.3 million in 1H08 as compared to US\$0.4 million in 1H07.

Income tax expenses decreased by 42.3% to US\$0.4 million in 1H08 over the corresponding period in the previous year. Since the beginning of 2008, wholly foreign owned enterprises in China have been subject to an income tax rate of 25%. As a result, the Group had to pay higher income taxes for profit making subsidiaries in China despite making an overall loss of the Group in 1H08.

Balance Sheet

As at 30 June 2008, the total assets and liabilities stood at US\$101.2 million and US\$47.2 million respectively. Non-current assets rose by US\$1.2 million to US\$32.0 million. The increase was a result of the appreciation of non-current assets denominated in RMB and JPY, as well as, capital expenditure mainly for the Group's new Dongguan precision accessories factory and Suzhou new factory.

Current assets mainly consisted of cash and bank balances, receivables and inventories. The significant increase in inventories was partly due to the inventories waiting to be transported to one of the key customers. Cash and bank balances and pledged bank deposits decreased by US\$4.3 million to US\$26.9 million for the settling of bank borrowings and to reduce accounts payable.

Current liabilities decreased by US\$3.3 million to US\$42.6 million in 1H08, and consisted mainly of bank and other borrowings, payables and accruals. Included in other payables was a prepayment related to those inventories waiting to be transported as mentioned above. Non-current liabilities declined by US\$1.0 million to US\$4.6 million in 1H08 as the Group had settled part of the previously incurred bank loans.

Bank borrowings decreased by US\$4.1 million to US\$16.2 million in 1H08 as the Group had settled part of the bank borrowings in 1H08.

The Group's net asset value per share increased to 10.67 US cents as at 30 June 2008 from 10.45 US cents as at 31 December 2007.

The Company declared an interim dividend of 0.4 US cents per ordinary share to reward the shareholders for their long-term support to the Company.

Cash Flow

The Group recorded a decrease of net cash generated from operating activities, in line with a drop in sales, by 43.7% to US\$0.5 million in 1H08 as compared with that in the corresponding period in the previous year.

The Group paid for the purchase of property, plant and equipment, mainly for the new Dongguan precision accessories factory and new Suzhou factory, amounting to US\$1.6 million in 1H08 as compared to US\$5.5 million in 1H07. Included in the US\$5.5 million was the purchase of property, plant and equipment amounting to US\$4.8 million for the new factory in Suzhou. Overall, the Group spent a net cash of US\$1.2 million in investing activities in 1H08 as compared with US\$5.4 million in 1H07.

For the financing activities, the Group repaid net bank and other borrowing amounting to approximately US\$4.3 million in 1H08 as compared to a net borrowing of US\$0.9 million in 1H07. Included in the net cash used in financing activities amounting to US\$5.3 million in 1H08 were repayment of obligation under finance lease of US\$0.3 million and dividends paid of US\$0.5 million.

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 significant trends and 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

For the year ahead, the industry that the Group operates in remains volatile and highly competitive. The Group is exposed to the unabated appreciation in RMB and fluctuation of Japanese yen which can impact on the Group's profitability. However, close relationships with customers enable us to secure orders for new models of LCD BLUs for entertainment gamebox and digital camera which have a higher value added. The Group will continue to focus on sourcing alternative materials at more competitive prices and direct outsourced orders into in-house production to improve the Group's productivity.

The Group also implements certain re-engineering processes to streamline the production process and to enhance the production efficiency for restoring the Group's performance to profitability. However, it will take some time before the Group can enjoy the benefit of such re-engineering processes.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share	0.4 US cents per ordinary share
Tax Rate	Tax not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share	0.1 US cents per ordinary share
Tax Rate	Tax not applicable

(c) Date payable

To be determined later.

(d) Books closure date

To be determined later

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, Q4 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 – 2008

CDW Holding Limited

Business segment for the six months / half year ended 30 June 2008

	Parts trading	LCD backlight units	Precision accessories	LCD frames	Eliminations	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>Revenue</u>						
External sales	13,822	37,527	11,255	8,113		70,717
Inter-segment sales	-	1,131	854	588	(2,573)	-
Total revenue	<u>13,822</u>	<u>38,658</u>	<u>12,109</u>	<u>8,701</u>		<u>70,717</u>
<u>Results</u>						
Segment result	(32)	384	846	(443)		755
Unallocated corporate expense						(1,510)
Operating profit						(755)
Interest income						124
Interest expenses						(277)
Loss before income tax						(908)
Income tax						(379)
Loss after income tax						<u>(1,287)</u>
<u>Assets</u>						
Segment assets	22,366	36,035	16,290	21,570	(1,066)	95,195
Unallocated assets						5,998
Total assets						<u>101,193</u>
<u>Liabilities</u>						
Segment liabilities	10,854	10,780	4,892	3,178	(1,066)	28,638
Bank borrowings and obligation under finance leases						16,957
Unallocated liabilities						1,586
Total liabilities						<u>47,181</u>
<u>Other information</u>						
Capital expenditure	416	125	745	575		1,861
Depreciation of property, plant and equipment	156	648	413	691		1,908

Primary reporting format-Business Segments – 2007

CDW Holding Limited

Business segment for the six months / half year ended 30 June 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	18,047	51,473	11,033	5,552		86,105
Inter-segment sales	560	743	506	247	(2,056)	-
Total revenue	18,607	52,216	11,539	5,799		86,105
Results						
Segment result	433	1,558	1,783	(607)		3,167
Unallocated corporate expenses						(1,449)
Operating profit						1,718
Interest income						163
Interest expenses						(400)
Profit before income tax						1,481
Income tax						(657)
Profit after income tax						824
Assets						
Segment assets	20,267	42,080	15,628	19,903	(584)	97,294
Unallocated assets						7,745
Total assets						105,039
Liabilities						
Segment liabilities	12,169	14,247	5,331	3,191	(584)	34,354
Bank borrowings and obligation under finance leases						15,088
Unallocated liabilities						1,700
Total liabilities						51,142
Other information						
Capital expenditure	446	307	134	4,816		5,703
Depreciation of property, plant and equipment	198	613	361	656		1,828

GROUP SEGMENTAL REPORTING

Secondary reporting format – Geographical Segments

	Revenue		Total Assets		Capital Expenditure	
	Six months / half year ended 30 June		Six months / half year ended 30 June		Six months / half year ended 30 June	
	2008 US\$'000	2007 US\$'000	2008 US\$'000	2007 US\$'000	2008 US\$'000	2007 US\$'000
Hong Kong	23,847	32,780	19,851	7,617	7	155
PRC	27,238	29,938	60,083	77,711	1,445	5,257
Japan	18,517	20,727	21,259	19,711	409	291
Others	1,115	2,660	-	-	-	-
Total	70,717	86,105	101,193	105,039	1,861	5,703

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 revenue and earnings by the business segments. In terms of geographical segments, the Group was generating balanced revenue in Hong Kong, PRC and Japan. Revenue in Hong Kong, PRC and Japan accounted for 33.7%, 38.5% and 26.2% of the total revenue respectively. Total revenue decreased by 17.9 % to US\$70.7 million in 1H08 as compared to the corresponding period in the previous year.

The total assets located in Hong Kong, PRC and Japan accounted for 19.6%, 59.4% and 21.0% of the total assets respectively. During 1H08, the Group invested a total capital expenditure of US\$1.4 million in the production facilities in PRC as compared to US\$0.4 million in Japan and Hong Kong.

15. A breakdown of sales

	Six months / half year ended 30 June		
	2008 US\$'000	2007 US\$'000	% Increase / (Decrease)
Sales reported for the first quarter	34,685	46,747	(25.8%)
Sales reported for the second quarter	36,032	39,358	(8.5%)
Operating (Loss)/profit after income tax for the first quarter	(635)	1,545	(141.1%)
Operating (Loss) after income tax for the second quarter	(652)	(721)	(9.6%)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Annual Dividend	FY2007 US\$'000	FY2006 US\$'000
Ordinary dividend		
- Interim	488	1,952
- Final	506	976
Total	994	2,928

17. Interested person transactions for the six months ended 30 June 2008

	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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to rule 920 (excluding transactions less than S\$100,000)
Name of interested person	US\$'000	US\$'000
Mikuni Co., Limited		
Support services and marketing services to Tomoike Industrial Limited	56	-
Total	56	-

CONFIRMATION BY THE BOARD

We, Kunikazu Yoshimi and Dy Mo Hua Cheung Philip, being two directors of CDW Holding Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of the directors of the Company which may render the financial results for the six months/second quarter ended 30 June 2008 to be false or misleading.

BY ORDER OF THE BOARD

Kunikazu YOSHIMI
Executive Director
11 August 2008

DY MO Hua Cheung, Philip
Executive Director