Unaudited Half Year Financial Statements And Dividend Announcement for the Six Months / Second Quarter Ended 30 June 2009

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 INCOME STATEMENT
For the period ended 30 June 2009

		Three months / second quarter ended 30 June			Six months / half year ended 30 June		
	Note	2009 US$'000	2008 US$'000	% Increase/ (Decrease)	2009 US$'000	2008 US$'000	% Increase/ (Decrease)
Revenue		24,537	36,032	(31.9%)	45,271	70,717	(36.0%)
Cost of sales		(18,803)	(29,566)	(36.4%)	(35,331)	(56,678)	(37.7%)
Gross profit		5,734	6,466	(11.3%)	9,940	14,039	(29.2%)
Other operating income		167	207	(19.3%)	251	381	(34.1%)
Distribution expenses		(481)	(1,005)	(52.1%)	(891)	(1,925)	(53.7%)
Administrative expenses		(5,547)	(6,051)	(8.3%)	(11,299)	(13,126)	(13.9%)
Finance costs		(79)	(121)	(34.7%)	(146)	(277)	(47.3%)
Loss before income tax	(1)	(206)	(504)	(59.1%)	(2,145)	(908)	136.2%
Income tax expense		(380)	(148)	156.8%	(436)	(379)	15.0%
Loss after income tax		(586)	(652)	(10.1%)	(2,581)	(1,287)	100.5%

Note (1)

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

	Three months / second quarter ended 30 June		Six months / half year ended 30 June	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Depreciation	947	994	1,929	1,908
Interest income	(29)	(76)	(76)	(124)
Net foreign exchange loss/(gain) (Note a)	396	(627)	(17)	561
Allowance for inventories	17	312	111	422
Under-provision of income tax expense in respect of prior year	87	-	87	-
Loss on disposal of property, plant and equipment	124	23	163	33
Change in the fair value of derivative financial instruments	(393)	212	-	212

Note a: The foreign currency exchange gain for the six months ended 30 June 2009 comprised mainly unrealized net gain on translating monetary assets less monetary liabilities in foreign currencies, mainly United States dollars and Japanese yen, to functional currency at each Group entity and realized net gain on payments denominated in foreign currencies other than the functional currency in each Group entity.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 30 June 2009

	The Group		The Company	
	As at 30 June 2009 US$'000	**As at 31 December 2008 US$'000**	**As at 30 June 2009 US$'000**	**As at 31 December 2008 US$'000**
<u>ASSETS</u>				
Current Assets:				
Cash and bank balances	31,616	29,877	106	132
Trade receivables	13,565	24,935	-	-
Other receivables and prepayments	2,570	3,628	1,187	1,455
Prepaid lease payments	9	9	-	-
Income tax recoverable	204	167	-	-
Inventories	9,193	10,628	-	-
Pledged bank deposits (Note b)	1,540	1,295	-	-
Total current assets	58,697	70,539	1,293	1,587
Non-current assets				
Goodwill	1,516	1,516	-	-
Available-for-sale investments	968	886	-	-
Held-to-maturity investment	975	979	-	-
Other assets	663	881	-	-
Amount due from a subsidiary	-	-	17,867	17,927
Prepaid lease payments	456	462	-	-
Property, plant and equipment	23,410	25,619	-	-
Subsidiaries	-	-	10,735	10,624
Total non-current assets	27,988	30,343	28,602	28,551
Total assets	86,685	100,882	29,895	30,138
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Bank and other borrowings	15,195	11,232	-	-
Trade payables	14,562	25,597	-	-
Other payables and accruals	3,715	4,807	185	175
Current portion of obligation under finance leases	242	358	-	-
Income tax payable	230	480	-	-
Total current liabilities	33,944	42,474	185	175
Non-current liabilities				
Bank and other borrowings	504	1,170	-	-
Obligation under finance leases	410	543	-	-
Retirement benefit obligations	763	728	-	-
Deferred tax liabilities	889	778	-	-
Total non-current liabilities	2,566	3,219	-	-
Capital and reserves				
Issued capital	10,087	10,110	10,087	10,110
Reserves	40,088	45,079	19,623	19,853
Total equity	50,175	55,189	29,710	29,963
Total liabilities and equity	86,685	100,882	29,895	30,138

Note b: As at 30 June 2009, the Group's bank deposits of approximately US$1,540,000 (31 December 2008: US$1,295,000) were pledged to financial institutions to secure banking facilities 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 30 June 2009		As at 31 December 2008	
	Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
Bank and other borrowings	-	15,195	1,287	9,945
Obligation under finance leases	242	-	358	-
Total	242	15,195	1,645	9,945

Amount repayable after one year

	As at 30 June 2009		As at 31 December 2008	
	Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
Bank and other borrowings	-	504	-	1,170
Obligation under finance leases	410	-	543	-
Total	410	504	543	1,170

Details of collateral

As at 30 June 2009, the Group's bank deposits of approximately US$1,540,000 (31 December 2008: US$1,295,000) were pledged to financial institutions to secure banking facilities granted to the Group. The carrying amount of the Group's property, plant and equipment includes an amount of US$1,336,000 (31 December 2008: US$1,587,000) in respect of assets held under finance leases which are secured by the lessor's title to the leased assets.

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 period ended 30 June 2009	Three months / second quarter ended 30 June		Six months / half year ended 30 June	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
OPERATING ACTIVITIES				
Loss before income tax	(206)	(504)	(2,145)	(908)
Adjustments for				
Share-based payment expenses	45	23	111	94
Allowance for inventories	17	312	111	422
Depreciation	947	994	1,929	1,908
Amortization of prepaid lease payments	3	3	6	5
Interest income	(29)	(76)	(76)	(124)
Interest expenses	79	121	146	277
Loss on disposal of property, plant and equipment	124	23	163	33
Loss on disposal of other assets	-	-	3	-
Retirement benefit obligations	48	28	80	(163)
Change in fair value of derivate financial instruments	(393)	212	-	212
Operating cash flows before movements in working capital	635	1,136	328	1,756
Trade receivables, other receivables and prepayments	921	2,695	12,172	2,771
Inventories	(658)	(790)	1,324	(1,159)
Trade payables, other payables and accruals	2,417	3,916	(12,127)	(1,794)
Cash from operations	3,315	6,957	1,697	1,574
Income tax paid	(106)	(329)	(597)	(760)
Interest paid	(79)	(121)	(146)	(277)
Net cash from operating activities	3,130	6,507	954	537
INVESTING ACTIVITIES				
Proceeds from loan receivable	-	-	256	-
Proceeds from disposal of property, plant and equipment	232	139	301	227
Proceeds from disposal of other assets	-	-	4	-
Decrease in other assets	172	34	160	34
Purchase of available-for-sale investments	(3)	(3)	(6)	(6)
Purchase of property, plant and equipment (Note c)	(234)	(1,159)	(481)	(1,551)
Interest income received	29	76	76	124
Net cash from (used in) investing activities	196	(913)	310	(1,172)
FINANCING ACTIVITIES				
Payment of share purchase	(19)	-	(57)	-
Increase in pledged bank deposits	(20)	(248)	(245)	(258)
Proceeds from bank and other borrowings	47,199	46,953	81,159	77,170
Repayment of obligation under finance leases	(93)	(156)	(206)	(299)
Repayment of bank and other borrowings	(43,994)	(48,406)	(77,296)	(81,449)
Dividend paid	(2,017)	(506)	(2,017)	(506)
Net cash from (used in) financing activities	1,056	(2,363)	1,338	(5,342)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,382	3,231	2,602	(5,977)
NET EFFECT OF CURRENCY TRANSLATION DIFFERENCES	385	(1,138)	(863)	1,465
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	26,849	22,904	29,877	29,509
CASH AND CASH EQUIVALENTS AT END OF PERIOD	31,616	24,997	31,616	24,997

Note c: During 1H2009, the Group acquired property, plant and equipment with aggregate cost of approximately US$481,000 (1H2008: US$1,861,000) of which no property, plant and equipment (1H2008: US$310,000) was acquired by means of finance leases. Cash payments of approximately US$481,000 (1H2008: US$1,551,000) were made to purchase property, plant and equipment.

1(d) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediate preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2009

	Three months / second quarter ended 30 June			Six months / half year ended 30 June		
	2009 US$'000	2008 US$'000	% Increase/ (Decrease)	2009 US$'000	2008 US$'000	% Increase/ (Decrease)
Loss after income tax	(586)	(652)	(10.1%)	(2,581)	(1,287)	100.5%
Other comprehensive income:						
Currency translation gain/(loss)	277	279	(0.7%)	(574)	2,882	(119.9%)
Available-for-sale financial assets	(26)	100	(126.0%)	104	(106)	(198.1%)
Other comprehensive income/(expense) for the period, net of tax	251	379	(33.8%)	(470)	2,776	(116.9%)
Total comprehensive (expense)/income for the period, net of tax	(335)	(273)	22.7%	(3,051)	1,489	(304.9%)
Total comprehensive (expense)/income attributable to equity holders of the Company	(335)	(273)	22.7%	(3,051)	1,489	(304.9%)

1(e)(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	Treasury Shares 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$'000	Total US$'000
Balance as at 1 January 2009	10,110	19,009	-	175	(7,020)	4,513	307	1,167	-	9,204	17,724	55,189
Total comprehensive income/(expense) for the period	-	-	-	-	-	-	-	-	130	(851)	(1,995)	(2,716)
Share-based payment expense	-	-	-	66	-	-	-	-	-	-	-	66
Cancellation of purchased shares under Share Purchase Mandate	(23)	(15)	-	-	-	-	-	-	-	-	-	(38)
Balance as at 31 March 2009	10,087	18,994	-	241	(7,020)	4,513	307	1,167	130	8,353	15,729	52,501
Total comprehensive (expense)/income for the period	-	-	-	-	-	-	-	-	(26)	277	(586)	(335)
Share-based payment expense	-	-	-	45	-	-	-	-	-	-	-	45
Dividend Paid	-	-	-	-	-	-	-	-	-	-	(2,017)	(2,017)
Shares purchased under Share Purchase Mandate and held as treasury shares	-	-	(19)	-	-	-	-	-	-	-	-	(19)
Balance as at 30 June 2009	10,087	18,994	(19)	286	(7,020)	4,513	307	1,167	104	8,630	13,126	50,175

	Share Capital US$'000	Share premium of the Company US$'000	Treasury Shares 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$'000	Total US$'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
Total comprehensive (expense)/income for the period	-	-	-	-	-	-	-	-	(206)	2,603	(635)	1,762
Share-based payment expense	-	-	-	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
Total comprehensive income/(expense) for the period	-	-	-	-	-	-	-	-	100	279	(652)	(273)
Transfer on cancellation of share option	-	-	-	(265)	-	-	-	-	-	-	265	-
Share-based payment expense	-	-	-	23	-	-	-	-	-	-	-	23
Dividends paid	-	-	-	-	-	-	-	-	-	-	(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

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	Treasury shares US$'000	Share option reserve US$'000	Retained earnings US$'000	Total US$'000
Balance as at 1 January 2009	10,110	19,009	-	175	669	29,963
Total comprehensive expense for the period	-	-	-	-	(131)	(131)
Share-based payment expense	-	-	-	66	-	66
Cancellation of purchased shares under Share Purchase Mandate	(23)	(15)	-	-	-	(38)
Balance as at 31 March 2009	10,087	18,994	-	241	538	29,860
Total comprehensive income for the period	-	-	-	-	1,841	1,841
Share-based payment expense	-	-	-	45	-	45
Shares purchased under Share Purchase Mandate and held as treasury shares	-	-	(19)	-	-	(19)
Dividend Paid	-	-	-	-	(2,017)	(2,017)
Balance as at 30 June 2009	10,087	18,994	(19)	286	362	29,710

	Share Capital US$'000	Share premium of the Company US$'000	Treasury shares 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
Total comprehensive expense for the period	-	-	-	-	(159)	(159)
Share-based payment expense	-	-	-	71	-	71
Balance as at 31 March 2008	10,128	19,022	-	284	629	30,063
Total comprehensive income for the 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

1(e)(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 shares 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.

Share Capital

As at 31 March 2009, the Company's issued and fully paid up share capital was US$10,087,084 represented by 504,354,221 ordinary shares of US$0.02 each. During the first quarter ended 31 March 2009, the Company purchased 1,151,000 ordinary shares of US$0.02 each under the Share Purchase Mandate.

During the second quarter ended 30 June 2009, the Company purchased 500,000 ordinary shares of US$0.02 each and held them as treasury shares. As at 30 June 2009, the Company's issued and fully paid up share capital was US$10,087,084 represented by 503,854,221 ordinary shares (30 June 2008: 506,405,221), and 500,000 treasury shares (30 June 2008: Nil), making a total number of 504,354,221 shares of US$0.02 each.

Treasury Shares

	The Company	
	Number of shares	US$'000
Purchased during the current period and balance as at 30 June 2009	500,000	19

Share Options

On 9 March 2007, the Chief Executive Officer of the Company proposed to grant options to three executive directors and ten senior executives (the "2007 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 Remuneration Committee and options granted were accepted by the 2007 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 8 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 majority of 2007 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 "2008 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 2008 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 10 June 2013 (both days inclusive).

The number of outstanding share options as at 30 June 2009 is 20,496,000 (31 December 2008: 20,496,000).

1(e)(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.

	The Company	
	As at 30 June 2009	As at 31 December 2008
Issued shares	504,354,221	505,505,221
Less: Treasury shares	(500,000)	-
Total number of issued shares excluding Treasury shares	503,854,221	505,505,221

1(e)(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 standard or practice.

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 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 2008.

From annual financial statements beginning on or after 1 January 2009, IAS 1 (Revised) Presentation of Financial Statements is effective and requires the Group to present all non-owner changes in equity in a Statement of Comprehensive Income. This is a change in disclosure with no impact on the financial position or financial performance of the Group.

In addition, the Group has applied, for the first time, IFRS 8 Operating Segments. IFRS 8 is effective for annual financial statements beginning on or after January 1, 2009 and supersedes IAS 14 – Segment Reporting. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, IAS 14 requires an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's "system of internal financial reporting to key management personnel", serving only as the starting point for the identification of such segments. IFRS 8 intends to provide information for evaluating the nature and financial effects of the business activities in which each segment engages and the economic environments in which it operates.

As a result, following the adoption of IFRS 8, the identification of the Group's reportable segments has changed from four segments to three segments as disclosed in the paragraph 13 to this results announcement. The adoption of this standard, amendment and interpretations has no effect on the results or financial position of the Group for the current or prior account periods.

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.

(Loss) per ordinary share for the periods based on profit attributable to shareholders on 1(a) above	Three months / second quarter ended 30 June		Six months / half year ended 30 June	
	2009	2008	2009	2008
Based on weighted average number of ordinary shares in issue (US cents)				
- Basic	(0.12)	(0.12)	(0.51)	(0.25)
- Fully diluted (Note d)	-	(0.12)	-	(0.25)
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (Note e)	504,308,067	506,405,221	504,460,420	506,405,221

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 30 June 2009 was below the exercise price for the granted options.

e: The weighted average number of ordinary shares is computed after adjusting for the effect of treasury shares held by the Company.

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

	30 June 2009	31 December 2008
Net assets value per ordinary share, excluding treasury shares (US cents)		
- The Group	9.96	10.92
- The Company	5.90	5.93

The calculation of the net assets value per ordinary shares is based on total of 503,854,221 (2008: 505,505,221) ordinary shares (excluding treasury shares).

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.**

Income Statement

Against the backdrop of the global financial turmoil in the current financial period, the Group recorded a 36.0% decrease in revenue to US$45.3 million in 1H2009 as compared to the corresponding period in the previous year. Revenue for 2Q2009 also fell by 31.9% to US$24.5 million as compared to US$36.0 million in 2Q2008. However, revenue in 2Q2009 increased by 18.3% to US$24.5 million from US$20.7 million in 1Q2009 as the Group collected more orders from LCD Backlight Units segment and Office Automation segment which was explained below.

Continuous focus on the higher margin products and effective cost management resulted in a recovery in gross profit ratio. The gross profit ratio increased 2.1 percentage points from 19.9% in 1H2008 to 22.0% in 1H2009. The gross profit ratio also improved from 17.9% in 2Q2008 to 23.4% in 2Q2009 and increased from 20.3% in 1Q2009 to 23.4% in 2Q2009 respectively.

As a result of the reasons stated below, the Group incurred a net loss of US$2.6 million in 1H2009 as compared to a net loss of US$1.3 million in the corresponding period in the previous year. The Group also made gradual recovery and narrowed a net loss of US$0.7 million and US$2.0 million in 2Q2008 and in 1Q2009 respectively to a net loss of US$0.6 million in 2Q2009.

LCD Backlight Units

Revenue from the LCD Backlight Units segment decreased by 40.6% to US$19.8 million for 1H2009 as compared to US$33.3 million in 1H2008, which was due to a fall in order volume.

In 1H2009, the Group manufactured a total of 10.8 million backlight units for gamesets and other handheld devices (which mainly included digital camera) and 0.4 million backlight units for handsets as compared to 13.4 million units and 9.4 million units respectively for 1H2008. The decline in the sales of backlight units for handsets was further attributed by the Group’s strategic shift in focus to the production of backlight units for gamesets and other handheld devices. Such strategy is intended to mitigate the volatile demand for backlight units for the handsets market.

Fall in revenue led to an operating loss of US$1.0 million for 1H2009 as compared to an operating profit of US$0.2 million in 1H2008.

LCD Parts and Accessories

Revenue from LCD Parts and Accessories segment was down by 39.3% to US$14.5 million for 1H2009 as compared to US$24.0 million in 1H2008 as a result of the fall in demand. This segment experienced an operating profit of US$0.1 million in 1H2009 as compared to an operating loss of US$0.2 million in 1H2008 as a result of improving in profitability in metal frame division.

<u>Office Automation</u>

Revenue from Office Automation segment reduced by 18.5% to US$11.0 million for 1H2009 as compared to US$13.5 million in 1H2008 owing to a decline in consumers' expenditure on office automation equipment. This segment recorded an operating profit of US$0.3 million in 1H2009 as compared to US$0.8 million in 1H2008.

Other operating income decreased by 34.1% to US$0.3 million for 1H2009 over the corresponding period in the previous year as a result of less scrapped metal for sales.

Distribution expenses for 1H2009 fell by 53.7% to US$0.9 million over the corresponding period in the previous year. The decrease was in line with the decline in revenue.

Administrative expenses dropped by 13.9% to US$11.3 million for 1H2009 over the corresponding period in the previous year. The drop in administrative expense was attributed to the decrease in headcounts and staff-related expenses, and rental expense incurred along with the Group's downsizing effort. In addition, the Group experienced a substantial exchange loss in 1H2008 due to appreciation of Japanese yen while such foreign exchange exposure had been mitigated by entering into derivative financial instruments in the current financial period under review.

Income tax expenses increased by 15.0% to US$0.4 million for 1H2009 over the corresponding period in the previous year. The Group had to pay an income tax expense for profit-making enterprises in China and Japan despite incurring an overall loss for 1H2009. In addition, in the current financial period, there was an underprovision of income tax in respect of financial year 2008 in PRC amounting to US$0.1 million.

Finance cost was US$0.1 million in 1H2009 and remained at low level under the Group's low debt policy.

Statement of Financial Position

As at 30 June 2009, the total assets and liabilities stood at US$86.7 million and US$36.5 million respectively.

Current assets declined by US$11.8 million to US$58.7 million as at 30 June 2009 and mainly consisted of cash and bank balance, receivables and inventories. Cash and bank balance and pledged deposit increased by 6.4% to US$33.2 million due to the net cash inflow arising from the proceeds from bank loans and receipt from accounts receivable less the payment to accounts payable. The decrease in inventories was in line with the overall fall in order volume.

Non-current assets dropped by US$2.4 million to US$28.0 million. The decrease in non-current assets was mainly due to the depreciation provided for property, plant and equipment in 1H2009.

Current liabilities decreased by US$8.5 million to US$33.9 million, and mainly consisted of bank and other borrowings, payables and accruals. Non-current liabilities declined by US$0.7 million to US$2.6 million. The decrease in both current and non-current liabilities was consistent with the fall in order volume.

During 1H2009, the Group purchased 1,651,000 shares in total at an average cost of 5.3 Singapore cents per ordinary share (equivalent to 3.5 US cents per ordinary share) under the Share Purchase Mandate. Out of these purchased shares, 1,151,000 shares were cancelled and 500,000 shares were held as treasury shares. The issued capital was diminished by the nominal value of these cancelled shares accordingly.

The Group's net asset value per share decreased to 9.96 US cents as at 30 June 2009 from 10.92 US cents as at 31 December 2008.

Cash Flow Statement

The Group had net cash from operating activities amounting to US$1.0 million for 1H2009 as compared to US$0.5 million in the corresponding period in the previous year.

For investing activities, the Group recorded net cash generated from these activities amounting to US$0.3 million in 1H09 as compared to net cash used in these activities amounting to US$1.2 million in the corresponding period in the previous year. During 1H2009, the Group purchased property, plant and equipment amounting to US$0.5 million as compared to US$1.6 million in the corresponding period in the previous year, and received a partial payment amounting to US$0.3 million from loan receivable.

For financing activities, the Group recorded a net cash inflow amounting to US$1.3 million as compared to the net cash outflow amounting to US$5.3 million in the corresponding period in the previous year. Inclusive in the net cash used for financing activities are payment of dividend amounting to US$2.0 million and net cash from bank loans less the repayment amounting to US$3.9 million.

Statement of Comprehensive Income

Included in the Statement of Comprehensive Income is currency translation gain of US$0.28 million for 2Q2009 which offsets against currency translation loss of US$0.85 million in 1Q2009, thereby resulting in currency translation loss of US$0.57 million in 1H2009. This loss relates mainly to translation of investments in Renminbi and Japanese yen to United States dollars.

In addition, there is a loss on the fair value change for available-for-sale investment of US$0.03 million for 2Q2009 which offset the gain of US$0.13 million in 1Q2009, thereby resulting in gain on the fair value change of US$0.10 million in 1H2009.

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.

In the midst of the economic recession caused by the outbreak of the global financial crisis in late 2008, the industry, in which the Group operates, has gradually recovered from the bottom in 1Q2009 with a steady, albeit uncertain and skeptical, increase in consumer demand for electronic handheld device and office automation equipment in 2Q2009. The Group envisages the consumer demand will steadily rise at a slow pace.

Under this economic recession and the fierce price competition in the industry, the Group has taken further steps, on top of reducing operating costs through downsizing in 1H2009, to cope with the current market condition and demand by lowering the production cost per unit through improving labour and production efficiency, for example, by means of re-engineering production process and increasing utilization rate, etc. The Group believes that continuing cost management would be critical.

In addition, the Group purchases Japanese made raw materials in Japanese yen. The fluctuation of Japanese yen would impact on the Group's profitability. The management will monitor exchange rates movements and take necessary measures to mitigate such currency exposure.

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	0.2 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	0.4 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 FIRST QUARTER ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3, Q4 or Half Year and Full 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.

CDW Holding Limited

Business segment for the six months /half year ended 30 June 2009

The Group is organized into three reportable operating segments as follows:

i) LCD backlight units – Manufacturing of LCD backlight units for LCD module
ii) Office automation – Manufacturing and trading of parts and precision accessories for office equipment and electrical appliances
iii) LCD parts and accessories – Manufacturing and trading of parts and precision accessories for LCD module

	LCD backlight units	Office automation	LCD parts and accessories	Eliminations	Consolidated
	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue					
External sales	19,764	10,972	14,535		45,271
Inter-segment sales	157	914	1,979	(3,050)	
Total revenue	19,921	11,886	16,514		45,271
Results					
Segment result	(997)	304	123		(570)
Unallocated corporate expense					(1,505)
Operating profit					(2,075)
Interest income					76
Interest expenses					(146)
Profit before income tax					(2,145)
Income tax expense					(436)
Profit after income tax					(2,581)
Assets					
Segment assets	27,941	14,493	39,674	(1,040)	81,068
Unallocated assets					5,617
Consolidated total assets					86,685
Liabilities					
Segment liabilities	8,351	5,145	5,574	(1,040)	18,030
Bank borrowings and obligation under finance leases					16,351
Unallocated liabilities					2,129
Consolidated total liabilities					36,510
Other information					
Capital expenditure	66	65	350		481
Depreciation of property, plant and equipment	555	257	1,117		1,929

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

	LCD backlight units	Office automation	LCD parts and accessories	Eliminations	Consolidated
	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue					
External sales	33,297	13,459	23,961		70,717
Inter-segment sales	697	854	1,022	(2,573)	
Total revenue	33,994	14,313	24,983		70,717
Results					
Segment result	224	759	(228)		755
Unallocated corporate expense					(1,510)
Operating profit					(755)
Interest income					124
Interest expenses					(277)
Profit before income tax					(908)
Income tax expense					(379)
Profit after income tax					(1,287)
Assets					
Segment assets	34,035	18,179	44,047	(1,066)	95,195
Unallocated assets					5,998
Consolidated total assets					101,193
Liabilities					
Segment liabilities	11,866	6,735	11,103	(1,066)	28,638
Bank borrowings and obligation under finance leases					16,957
Unallocated liabilities					1,586
Consolidated total liabilities					47,181
Other information					
Capital expenditure	202	882	777		1,861
Depreciation of property, plant and equipment	612	400	896		1,908

Geographical Segment for the six months/half year ended 30 June 2009 and 2008

	Turnover		Non-Current Assets		Capital Expenditure	
	Six months / half year ended 30 June		Six months / half year ended 30 June		Six months / half year ended 30 June	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Hong Kong	13,439	23,847	467	498	113	7
PRC	23,565	27,238	19,247	21,899	343	1,445
Japan	8,150	18,517	5,668	5,464	25	409
Others	117	1,115	-	-	-	-
Total	45,271	70,717	25,382	27,861	481	1,861

Non-current assets are mainly comprised of goodwill, prepaid lease payment and property, plant and equipment.

Information about major customer

During 1H2009, revenue from one key customer which has transactions with all segments accounted for 70% (1H2008: 55%).

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 revenue in Hong Kong, PRC and Japan. Revenue in Hong Kong, PRC and Japan accounted for 29.7%, 52.1% and 18.0% of the total revenue respectively. Total revenue decreased by 36.0% to US$45.3 million in 1H2009 as compared to the corresponding period in the previous year.

As at 30 June 2009, the total non-current assets located in Hong Kong, PRC and Japan accounted for 1.8%, 75.9% and 22.3% of the total non-current assets respectively. During 1H2009, the Group invested a total capital expenditure of US$0.5 million mainly in the production facilities in the PRC and Hong Kong.

15. A breakdown of sales

	Six months / half year ended 30 June		
	2009 US$'000	2008 US$'000	% Increase / (Decrease)
Sales reported for the first quarter	20,734	34,685	(40.2%)
Sales reported for the second quarter	24,537	36,032	(31.9%)
Operating loss after income tax for the first quarter	(1,995)	(635)	214.2%
Operating loss after income tax for the second quarter	(586)	(652)	(10.1%)

16 A breakdown of the total annual dividend for the issuer's latest full year and its previous full year

Annual Dividend (in US$'000)	Year ended 31 December 2008	Year ended 31 December 2007
Ordinary dividend		
- Interim	2,026	488
- Final	2,017	506
Total	4,043	994

17. Interested person transactions for the six months/half year ended 30 June 2009

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
Mikuni Co., Limited		
Support services and marketing services to Tomoike Industrial Co., Limited	20	-
Total	20	-

CONFIRMATION BY THE BOARD

We, Yoshimi Kunikazu 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 2009 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

YOSHIMI Kunikazu
Executive Director
14 August 2009

DY MO Hua Cheung, Philip
Executive Director