

Unaudited Half Year Financial Statements And Dividend Announcement for the Six Months / Second Quarter Ended 30 June 2010
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 year ended 30 June 2010**

| | Note | Three months / second quarter ended 30 June | | | Six months / half year ended 30 June | | |
|---------------------------------|------|---|------------------|---------------------------|--------------------------------------|------------------|---------------------------|
| | | 2010 US\$'000 | 2009 US\$'000 | % Increase/ (Decrease) | 2010 US\$'000 | 2009 US\$'000 | % Increase/ (Decrease) |
| Revenue | | 28,192 | 24,537 | 14.9% | 53,569 | 45,271 | 18.3% |
| Cost of sales | | (21,074) | (18,803) | 12.1% | (39,611) | (35,331) | 12.1% |
| Gross profit | | 7,118 | 5,734 | 24.1% | 13,958 | 9,940 | 40.4% |
| Other operating income | | 125 | 167 | (25.1%) | 320 | 251 | 27.5% |
| Distribution expenses | | (534) | (481) | 11.0% | (999) | (891) | 12.1% |
| Administrative expenses | | (5,311) | (5,547) | (4.3%) | (10,557) | (11,299) | (6.6%) |
| Finance costs | | (83) | (79) | 5.1% | (164) | (146) | 12.3% |
| Profit/(Loss) before income tax | (1) | 1,315 | (206) | (738.3%) | 2,558 | (2,145) | (219.3%) |
| Income tax expense | | (310) | (380) | (18.4%) | (751) | (436) | 72.2% |
| Profit/(Loss) after income tax | | 1,005 | (586) | (271.5%) | 1,807 | (2,581) | (170.0%) |

Note (1)

Profit/(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 | |
|--|---|------------------|--------------------------------------|------------------|
| | 2010 US\$'000 | 2009 US\$'000 | 2010 US\$'000 | 2009 US\$'000 |
| Depreciation | 816 | 947 | 1,682 | 1,929 |
| Interest income | (32) | (29) | (69) | (76) |
| Net foreign exchange loss/(gain) (Note a) | 239 | 396 | 317 | (17) |
| Allowance for inventories | 165 | 17 | 334 | 111 |
| Change in fair value of derivative financial instruments | (116) | (393) | (148) | - |
| Loss on disposal of property, plant and equipment | - | 124 | 13 | 163 |
| Under-provision of income tax expense in respect of prior year | - | 87 | - | 87 |

Note a: The foreign currency exchange loss for the six months ended 30 June 2010 comprised mainly unrealized net loss 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 loss 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 2010

| | The Group | | The Company | |
|--|--------------------------------------|--|--------------------------------------|--|
| | As at 30 June 2010 US\$'000 | As at 31 December 2009 US\$'000 | As at 30 June 2010 US\$'000 | As at 31 December 2009 US\$'000 |
| <u>ASSETS</u> | | | | |
| Current Assets: | | | | |
| Cash and bank balances | 33,860 | 35,828 | 73 | 163 |
| Trade receivables | 19,191 | 18,162 | - | - |
| Other receivables and prepayments | 2,054 | 2,235 | 610 | 750 |
| Prepaid lease payments | 9 | 9 | - | - |
| Income tax recoverable | 7 | 7 | - | - |
| Inventories | 8,955 | 8,484 | - | - |
| Pledged bank deposits (Note b) | 1,646 | 1,581 | - | - |
| Total current assets | 65,722 | 66,306 | 683 | 913 |
| Non-current assets | | | | |
| Goodwill | 1,516 | 1,516 | - | - |
| Available-for-sale investments | 968 | 955 | - | - |
| Held-to-maturity investment | 981 | 976 | - | - |
| Other assets | 549 | 518 | - | - |
| Amount due from a subsidiary | - | - | 18,144 | 18,046 |
| Prepaid lease payments | 450 | 453 | - | - |
| Property, plant and equipment | 22,004 | 23,028 | - | - |
| Subsidiaries | - | - | 10,735 | 10,735 |
| Total non-current assets | 26,468 | 27,446 | 28,879 | 28,781 |
| Total assets | 92,190 | 93,752 | 29,562 | 29,694 |
| <u>LIABILITIES AND EQUITY</u> | | | | |
| Current liabilities | | | | |
| Bank and other borrowings | 9,088 | 8,819 | - | - |
| Trade payables | 17,304 | 19,294 | - | - |
| Other payables and accruals | 3,717 | 3,618 | 165 | 199 |
| Current portion of obligation under finance leases | 187 | 220 | - | - |
| Income tax payable | 446 | 374 | - | - |
| Derivative financial instruments | - | 148 | - | - |
| Total current liabilities | 30,742 | 32,473 | 165 | 199 |
| Non-current liabilities | | | | |
| Bank and other borrowings | 5,937 | 6,874 | - | - |
| Obligation under finance leases | 255 | 325 | - | - |
| Retirement benefit obligations | 949 | 816 | - | - |
| Deferred tax liabilities | 905 | 895 | - | - |
| Total non-current liabilities | 8,046 | 8,910 | - | - |
| Capital and reserves | | | | |
| Issued capital | 10,087 | 10,087 | 10,087 | 10,087 |
| Reserves | 43,315 | 42,282 | 19,310 | 19,408 |
| Total equity | 53,402 | 52,369 | 29,397 | 29,495 |
| Total liabilities and equity | 92,190 | 93,752 | 29,562 | 29,694 |

Note b: As at 30 June 2010, the Group's bank deposits of approximately US\$1,646,000 (31 December 2009: US\$1,581,000) 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 2010 | | As at 31 December 2009 | |
|--|---------------------|-----------------------|------------------------|-----------------------|
| | Secured US\$'000 | Unsecured US\$'000 | Secured US\$'000 | Unsecured US\$'000 |
| Bank and other borrowings | - | 9,088 | - | 8,819 |
| Obligation under finance leases | 187 | - | 220 | - |
| Total | 187 | 9,088 | 220 | 8,819 |

Amount repayable after one year

| | As at 30 June 2010 | | As at 31 December 2009 | |
|--|---------------------|-----------------------|------------------------|-----------------------|
| | Secured US\$'000 | Unsecured US\$'000 | Secured US\$'000 | Unsecured US\$'000 |
| Bank and other borrowings | - | 5,937 | - | 6,874 |
| Obligation under finance leases | 255 | - | 325 | - |
| Total | 255 | 5,937 | 325 | 6,874 |

Details of collateral

As at 30 June 2010, the Group's bank deposits of approximately US\$1,646,000 (31 December 2009: US\$1,581,000) were pledged to financial institutions to secure banking facilities granted to the Group. The Group did not utilize any such banking facilities as at 30 June 2010 and 31 December 2009. The carrying amount of the Group's property, plant and equipment includes an amount of US\$1,100,000 (31 December 2009: US\$1,223,000) 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 2010 | | | | |
| | The Group | | | |
| | Three months / second quarter ended 30 June | | Six months / half year ended 30 June | |
| | 2010 | 2009 | 2010 | 2009 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| OPERATING ACTIVITIES | | | | |
| Profit/(Loss) before income tax | 1,315 | (206) | 2,558 | (2,145) |
| Adjustments for | | | | |
| Share-based payment expenses | - | 45 | - | 111 |
| Allowance for inventories | 165 | 17 | 334 | 111 |
| Depreciation | 816 | 947 | 1,682 | 1,929 |
| Amortization of prepaid lease payments | 3 | 3 | 6 | 6 |
| Interest income | (32) | (29) | (69) | (76) |
| Interest expenses | 83 | 79 | 164 | 146 |
| Impairment loss on available-for-sale investment | 22 | - | - | - |
| Loss on disposal of property, plant and equipment | - | 124 | 13 | 163 |
| Loss on disposal of other assets | - | - | - | 3 |
| Retirement benefit obligations | 36 | 48 | 93 | 80 |
| Change in fair value of derivative financial instruments | (116) | (393) | (148) | - |
| Operating cash flows before movements in working capital | 2,292 | 635 | 4,633 | 328 |
| Trade receivables, other receivables and prepayments | (2,563) | 921 | (978) | 12,172 |
| Inventories | (645) | (658) | (805) | 1,324 |
| Trade payables, other payables and accruals | 3,955 | 2,417 | (1,888) | (12,127) |
| Cash from operations | 3,039 | 3,315 | 962 | 1,697 |
| Income tax paid | (358) | (106) | (655) | (597) |
| Interest paid | (83) | (79) | (164) | (146) |
| Net cash from operating activities | 2,598 | 3,130 | 143 | 954 |
| INVESTING ACTIVITIES | | | | |
| Proceeds from repayment of a loan receivable | - | - | 129 | 256 |
| Proceeds from disposal of property, plant and equipment | 36 | 232 | 60 | 301 |
| Proceeds from disposal of other assets | - | - | - | 4 |
| (Increase)/Decrease in other assets | (9) | 172 | (8) | 160 |
| Additional investment in available-for-sale investments | (4) | (3) | (7) | (6) |
| Purchase of property, plant and equipment (Note c) | (231) | (234) | (472) | (481) |
| Interest income received | 32 | 29 | 69 | 76 |
| Net cash (used in)/from investing activities | (176) | 196 | (229) | 310 |
| FINANCING ACTIVITIES | | | | |
| Payment of share buyback | - | (19) | - | (57) |
| Increase in pledged bank deposits | (39) | (20) | (65) | (245) |
| Proceeds from bank and other borrowings | 15,520 | 47,199 | 28,532 | 81,159 |
| Repayment of obligation under finance leases | (56) | (93) | (121) | (206) |
| Repayment of bank and other borrowings | (14,929) | (43,994) | (29,407) | (77,296) |
| Dividend paid | (1,511) | (2,017) | (1,511) | (2,017) |
| Net cash (used in)/from financing activities | (1,015) | 1,056 | (2,572) | 1,338 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 1,407 | 4,382 | (2,658) | 2,602 |
| NET EFFECT OF CURRENCY TRANSLATION DIFFERENCES | 707 | 385 | 690 | (863) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 31,746 | 26,849 | 35,828 | 29,877 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 33,860 | 31,616 | 33,860 | 31,616 |

Note c: During 1H2010, the Group acquired property, plant and equipment at an aggregate cost of approximately US\$472,000 (1H2009: US\$481,000) by cash.

- 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 2010

| | Three months / second quarter ended 30 June | | | Six months / half year ended 30 June | | |
|--|--|------------------|---------------------------|---|------------------|---------------------------|
| | 2010 US\$'000 | 2009 US\$'000 | % Increase/ (Decrease) | 2010 US\$'000 | 2009 US\$'000 | % Increase/ (Decrease) |
| Profit/(Loss) after income tax | 1,005 | (586) | (271.5%) | 1,807 | (2,581) | (170.0%) |
| Other comprehensive income: | | | | | | |
| Reversal of deferred tax liability/(Deferred tax liability arising) on revaluation of available-for-sale investments | 19 | 17 | 11.8% | 19 | (69) | (127.5%) |
| Exchange difference on translation of foreign operations | 788 | 277 | 184.5% | 761 | (574) | (232.6%) |
| Available-for-sale investment (Loss)/Gain arising during the periods | (43) | (43) | - | (43) | 173 | (124.9%) |
| Other comprehensive income for the period, net of tax | 764 | 251 | 204.4% | 737 | (470) | (256.8%) |
| Total comprehensive income for the period, net of tax | 1,769 | (335) | (628.1%) | 2,544 | (3,051) | (183.4%) |

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 2010 | 10,087 | 18,994 | (33) | 286 | (7,020) | 4,692 | 310 | 1,170 | 56 | 9,052 | 14,775 | 52,369 |
| Total comprehensive income for the period | - | - | - | - | - | - | - | - | - | (27) | 802 | 775 |
| Balance as at 31 March 2010 | 10,087 | 18,994 | (33) | 286 | (7,020) | 4,692 | 310 | 1,170 | 56 | 9,025 | 15,577 | 53,144 |
| Total comprehensive income for the period | - | - | - | - | - | - | - | - | (24) | 788 | 1,005 | 1,769 |
| Dividend paid | - | - | - | - | - | - | - | - | - | - | (1,511) | (1,511) |
| Balance as at 30 June 2010 | 10,087 | 18,994 | (33) | 286 | (7,020) | 4,692 | 310 | 1,170 | 32 | 9,813 | 15,071 | 53,402 |

| | 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 for the period | - | - | - | - | - | - | - | - | 130 | (851) | (1,995) | (2,716) |
| Share-based payment expense | - | - | - | 66 | - | - | - | - | - | - | - | 66 |
| Cancellation of purchased shares under Shares 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 income for the period | - | - | - | - | - | - | - | - | (26) | 277 | (586) | (335) |
| Share-based payment expense | - | - | - | 45 | - | - | - | - | - | - | - | 45 |
| Dividend Paid | - | - | - | - | - | - | - | - | - | - | (2,017) | (2,017) |
| Shares purchased under Shares 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 |

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 2010 | 10,087 | 18,994 | (33) | 286 | 161 | 29,495 |
| Total comprehensive income for the period | - | - | - | - | (124) | (124) |
| Balance as at 31 March 2010 | 10,087 | 18,994 | (33) | 286 | 37 | 29,371 |
| Total comprehensive income for the period | - | - | - | - | 1,537 | 1,537 |
| Dividend Paid | - | - | - | - | (1,511) | (1,511) |
| Balance as at 30 June 2010 | 10,087 | 18,994 | (33) | 286 | 63 | 29,397 |

| | 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 income for the period | - | - | - | - | (131) | (131) |
| Share-based payment expense | - | - | - | 66 | - | 66 |
| Cancellation of purchased shares under Shares 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 Shares 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 |

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 December 2009, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 503,534,221 ordinary shares (excluding treasury shares) and 820,000 treasury shares.

During the quarter ended 30 June 2010, the company did not purchase any shares under the Share Purchase Mandate. As at 30 June 2010, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 503,534,221 ordinary shares (excluding treasury shares) and 820,000 treasury shares.

Treasury shares

| | The Company | | | |
|---|------------------|-----------|------------------|-----------|
| | 2010 | | 2009 | |
| | Number of shares | US\$'000 | Number of shares | US\$'000 |
| Balance as at 1 January | 820,000 | 33 | - | - |
| Purchased during the first quarter ended 31 March | - | - | - | - |
| Purchased during the second quarter ended 30 June | - | - | 500,000 | 19 |
| Balance as at 30 June | <u>820,000</u> | <u>33</u> | <u>500,000</u> | <u>19</u> |

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 which was 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 Remuneration 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 2010 was 20,496,000 (31 December 2009: 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 2010 | As at 31 December 2009 |
| Issued shares | 504,354,221 | 504,354,221 |
| Less: Treasury shares | (820,000) | (820,000) |
| Total number of issued shares excluding treasury shares | <u>503,534,221</u> | <u>503,534,221</u> |

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 2009 except for the adoption of the new and revised Financial Reporting Standards which came into effect this financial year from 1 January 2010. The adoption of these new accounting policies did not give rise to any significant change to the financial statements.

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.

Profit/(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 | |
|--|--|-------------|---|-------------|
| | 2010 | 2009 | 2010 | 2009 |
| Based on weighted average number of ordinary shares in issue (US cents) | | | | |
| - Basic | 0.20 | (0.12) | 0.36 | (0.51) |
| - Fully diluted (Note d) | 0.20 | - | 0.36 | - |
| Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (Note e) | 503,534,221 | 504,308,067 | 503,534,221 | 504,460,420 |
| Effect of dilutive share options | 2,312,653 | - | 2,635,200 | - |
| Weighted average number of ordinary shares for the purpose of diluted earnings per ordinary share | 505,846,874 | 504,308,067 | 506,169,421 | 504,460,420 |

Note d: There was no dilutive effect on the 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.

Note e: The weighted average number of ordinary shares was 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 2010 | 31 December 2009 |
|---|--------------|------------------|
| Net assets value per ordinary share, excluding treasury shares (US cents) | | |
| - The Group | 10.60 | 10.40 |
| - The Company | 5.84 | 5.86 |

The calculation of the net assets value per ordinary shares was based on total of 503,534,221 (2009: 503,534,221) 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

The Group enjoyed a rebound in the overall revenue across all business segments since the third quarter last year. Total revenue for 1H2010 was US\$53.6 million, representing an increase of 18.3% as compared to the corresponding period in the previous year. Gross profit for this period was increased by 40.4% to US\$14.0 million over the corresponding period in the previous year.

The Group's continuous focus on higher value-added products and cost containment led to an improvement in gross profit margin by 4.1% from 22.0% in 1H2009 to 26.1% in 1H2010. In 2Q2010, there was an increase in the statutory minimum wages for workers which led to a higher labour cost and a lower gross profit margin of 25.2% for 2Q2010 as compared to 27.0% for 1Q2010.

The increase in the sales volume and better margin performance contributed to the Group's net profit of US\$1.8 million for 1H2010 as compared to a net loss of US\$2.6 million in 1H2009 due to the reasons below.

LCD Backlight Units

Revenue from LCD Backlight Units segment increased by 25.3% to US\$24.8 million for 1H2010 as compared to US\$19.8 million in the corresponding period in the previous year. Due to delay in the launch of new models, the revenue was below the Group's expectations. Even with substantial increase in revenue, the utilization rate for 1H2010 remained at low level of approximately 34.4% while the utilization rate for 2H2009 was 41.3%.

In 1H2010, the Group manufactured a total of 10.9 million units backlight units for gamesets and other handheld devices (mainly digital camera) and 1.4 million backlight units for handsets as compared to 10.8 million units and 0.4 million units respectively for 1H2009.

Increase in revenue led to an operating profit of US\$0.8 million for this quarter as compared to an operating loss of US\$1.0 million in the corresponding period in the previous year.

LCD Parts and Accessories

Revenue from the LCD Parts and Accessories segment increased marginally by 7.3% to US\$15.6 million for 1H2010 as compared to the corresponding period in the previous year. With orders for new products with higher margins, this segment recorded an operating profit of US\$0.7 million as compared to US\$0.1 million in the corresponding period in the previous year.

Office Automation

Revenue from Office Automation segment was up by 20.0% to US\$13.2 million for 1H2010 from US\$11.0 million in the corresponding period in the previous year. With continuing cost containment measures, this segment achieved an operating profit of US\$2.3 million for 1H2010 as compared to US\$0.3 million for the corresponding period in the previous year.

Other operating income increased by 27.5% to US\$0.32 million for 1H2010 over the corresponding period in the previous year resulting from more scrapped metal and mould for sales.

Distribution expenses increased by 12.1% to US\$1.0 million as a result of increased sales.

Administrative expense dropped by 6.6% to US\$10.6 million for 1H2010 over the corresponding period in the previous year. It was mainly contributed by the continuous cost containment measures which led to a reduction in all salary related-expenses, marketing cost and utility and facility expenses.

Finance cost was US\$0.2 million in 1H2010, and it remained at low level under the Group's low debt policy and low interest rate environment.

Income tax expense increased to US\$0.8 million for 1H2010. It is attributable to increasing profits in the operating entities in PRC and Japan.

Statement of Financial Position

As at 30 June 2010, the total assets and liabilities stood at US\$92.2 million and US\$38.8 million respectively.

Current assets declined by US\$0.6 million over the six months to US\$65.7 million as at 30 June 2010, and mainly consisted of cash and bank balances, receivables and inventories. Cash and bank balances dropped by US\$2.0 million over the six months to US\$33.9 million, due to settlement of certain bank borrowings and trade payables and the payment of dividends. In line with the overall increase in sales, trade receivables increased by US\$1.0 million over the six months to US\$19.2 million as at 30 June 2010. The average trade receivable days remain stable at 58 days. Inventory increased by US\$0.5 million over the six months to US\$9.0 million as at 30 June 2010, representing additional inventory for new models of LCD backlight units. Consequently, the inventory days increased from 41 days as at 31 December 2009 to 53 days as at 30 June 2010.

Non-current assets totaled US\$26.5 million, representing a reduction of US\$1.0 million over the six months. Such reduction was mainly attributable to the depreciation charge for 1H2010 net of purchase of equipment in the same period.

Current liabilities and non-current liabilities was down by US\$1.7 million and US\$0.9 million over the six months to US\$30.7 million and US\$8.0 million respectively at the half year end. They mainly consisted of bank and other borrowings, obligation under finance leases, retirement benefit, payables and accruals, income tax and deferred tax liabilities. The drop mainly represented the net settlement of US\$0.9 million in bank and other borrowings and a reduction of US\$2.0 million in trade payables for the six months under review. The average trade payable days were relatively constant at 90 days. There was immaterial increase in other liabilities items amounting to US\$0.3 million.

Cash Flow Statement

The Group had net cash from operating activities amounting to US\$0.1 million for 1H2010 as compared to US\$1.0 million in the corresponding period in the previous year. It was mainly due to the settlement to payables and accruals, and the increase in working capital, including mainly trade receivable and inventory as a result of increase in sales in the second quarter under review.

For investing activities, the Group recorded net cash used in investing activities amounting to US\$0.2 million in 1H2010 as compared to net cash from these activities amounting to US\$0.3 million in the corresponding period in the previous year. During 1H2010, the Group purchased equipment worth of US\$0.5 million and received a partial payment of US\$0.13 million in respect of the loan receivable.

During 1H2010, the Group recorded a net cash outflow in financing activities amounting to US\$2.6 million as compared to the net cash inflow amounting to US\$1.3 million in the corresponding period in the previous year. Inclusive in the net cash used for financing activities were payment of dividend amounting to US\$1.5 million, net settlement of bank loans and obligation under finance lease amounting to US\$1.0 million, and the increase in pledged bank deposits of US\$0.1 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.

The Group remains cautiously optimistic about prospects despite struggling global markets. Going forward, the Group believes that the business momentum will remain flat for the second half year as number of orders continues at a constant level in the second half year 2010. On the other hand, we envisage efficiency to fall slightly due to production of new models in the second half year. Timing for the launch of mass production of new models will affect profitability of subsequent quarters.

The LCD Backlight Unit segment continues to operate in a highly competitive environment that keeps margin low. Conversely, the LCD parts and accessories segment captures new opportunities by producing a wide range of end-products. The Office Automation business, comprising primarily products used in the manufacture of office printers and photocopiers, shall continue to benefit from the stable demand attributable to the replacement cycle.

With operations in PRC, appreciating RMB and rising labour costs due to a tight labour market may drive up the operating costs.

Additionally, the Group is exposed to foreign currency risk, mainly the volatility of United States dollars against Japanese Yen, because the Group purchases Japanese made raw materials in Japanese yen while sales were denominated in United States dollars. The Group has been actively mitigating currency risk through forward contracts and options on a monthly basis and will continue doing so.

The Group constantly strives to contain cost by implementing the following measures: (i) reducing administrative expenses; (ii) lowering production cost per unit through production process re-engineering; and (iii) improving inventory management through reducing inventory turnover days and synchronizing raw material supply levels with customer orders.

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 | 0.3 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 | 0.2 US cents per ordinary share |
| Tax Rate | Tax not applicable |

(c) Date payable

The interim dividend will be paid on 7 October 2010.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer books and Register of Member of the Company will be closed on 24 September 2010. Duly completed registrable transfers received by the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd at 50 Raffles Place, #32-01, Singapore Land Tower Singapore 048623, up to 5:00p.m. on 23 September 2010 will be registered for the interim dividend. In respect of ordinary shares in securities account with The Central Depository (Pte) Limited ("CDP"), the interim dividend will be paid by the Company to CDP which will, in turn, distribute the interim dividend to holders of the securities accounts.

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 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 2010

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 |
| <u>Revenue</u> | | | | | |
| External sales | 24,819 | 13,161 | 15,589 | | 53,569 |
| Inter-segment sales | 16 | 2,806 | 2,060 | (4,882) | - |
| Total revenue | <u>24,835</u> | <u>15,967</u> | <u>17,649</u> | | <u>53,569</u> |
| <u>Results</u> | | | | | |
| Segment result | 772 | 2,330 | 687 | | 3,789 |
| Unallocated corporate expense | | | | | (1,136) |
| Operating profit | | | | | <u>2,653</u> |
| Interest income | | | | | 69 |
| Interest expenses | | | | | (164) |
| Profit before income tax | | | | | <u>2,558</u> |
| Income tax expense | | | | | (751) |
| Profit after income tax | | | | | <u><u>1,807</u></u> |
| <u>Assets</u> | | | | | |
| Segment assets | 28,008 | 19,580 | 41,568 | (1,670) | 87,486 |
| Unallocated assets | | | | | 4,704 |
| Consolidated total assets | | | | | <u><u>92,190</u></u> |
| <u>Liabilities</u> | | | | | |
| Segment liabilities | 8,860 | 6,401 | 7,019 | (1,670) | 20,610 |
| Bank borrowings and obligation under finance leases | | | | | 15,467 |
| Unallocated liabilities | | | | | 2,711 |
| Consolidated total liabilities | | | | | <u><u>38,788</u></u> |
| <u>Other information</u> | | | | | |
| Capital expenditure | 57 | 71 | 344 | | 472 |
| Depreciation of property, plant and equipment | 471 | 218 | 993 | | 1,682 |

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

| | 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 |

Geographical Segment for the six months / half year ended 30 June 2010 and 2009

| | 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 | |
| | 2010 US\$'000 | 2009 US\$'000 | 2010 US\$'000 | 2009 US\$'000 | 2010 US\$'000 | 2009 US\$'000 |
| Hong Kong | 19,244 | 13,439 | 1,249 | 467 | 22 | 113 |
| PRC | 23,311 | 23,565 | 17,134 | 19,247 | 423 | 343 |
| Japan | 10,955 | 8,150 | 6,058 | 6,117 | 27 | 25 |
| Others | 59 | 117 | - | - | - | - |
| Total | 53,569 | 45,271 | 24,441 | 25,831 | 472 | 481 |

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

Information about major customer

During 1H2010, revenue from one key customer which has transactions with all segments accounted for 67 % (1H2009: 70%).

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 35.9%, 43.5% and 20.5% of the total revenue respectively. Total revenue increased by 18.3% to US\$53.6 million in 1H2010 as compared to the corresponding period in the previous year.

As at 30 June 2010, the total non-current assets located in Hong Kong, PRC and Japan accounted for 5.1%, 70.1 % and 24.8% of the total non-current assets respectively. During 1H2010, the Group invested a total capital expenditure of US\$0.5 million in the equipment in the Hong Kong, PRC and Japan.

15. A breakdown of sales

| | Six months / half year ended 30 June | | |
|---|--------------------------------------|------------------|----------------------------|
| | 2010 US\$'000 | 2009 US\$'000 | % Increase / (Decrease) |
| Sales reported for the first quarter | 25,377 | 20,734 | 22.4% |
| Sales reported for the second quarter | 28,192 | 24,537 | 14.9% |
| Operating profit/(loss) after income tax for the first quarter | 802 | (1,995) | (140.2%) |
| Operating profit/(loss) after income tax for the second quarter | 1,005 | (586) | (271.5%) |

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 (in US\$'000) | Year ended 31 December 2009 | Year ended 31 December 2008 |
|-------------------------------|--------------------------------|--------------------------------|
| Ordinary dividend | | |
| - Interim | 1,008 | 2,026 |
| - Final | 1,511 | 2,017 |
| Total | 2,519 | 4,043 |

17. Interested person transactions for the six months / half year ended 30 June 2010

Nil

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 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 2010 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

YOSHIMI Kunikazu
Executive Director
13 August 2010

DY MO Hua Cheung, Philip
Executive Director