Unaudited Third Quarter Financial Statements And Dividend Announcement for the Nine Months / Third Quarter Ended 30 September 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 periods ended 30 September 2010

		Three months / third quarter ended 30 September			Nine months ended 30 September		
	Note	2010 US$'000	2009 US$'000	% Increase/ (Decrease)	2010 US$'000	2009 US$'000	% Increase/ (Decrease)
Revenue		32,246	31,934	1.0%	85,815	77,205	11.2%
Cost of sales		(25,508)	(24,464)	4.3%	(65,119)	(59,795)	8.9%
Gross profit		6,738	7,470	(9.8%)	20,696	17,410	18.9%
Other operating income		258	110	134.5%	578	361	60.1%
Distribution expenses		(540)	(584)	(7.5%)	(1,539)	(1,475)	4.3%
Administrative expenses		(5,630)	(5,400)	4.3%	(16,187)	(16,699)	(3.1%)
Finance costs		(76)	(66)	15.2%	(240)	(212)	13.2%
Profit/(Loss) before income tax	(1)	750	1,530	(51.0%)	3,308	(615)	(637.9%)
Income tax expense		(110)	(181)	(39.2%)	(861)	(617)	39.5%
Profit/(Loss) after income tax		640	1,349	(52.6%)	2,447	(1,232)	(298.6%)

Note (1)

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

	Three months / third quarter ended 30 September		Nine months ended 30 September	
	2010 US$'000	2009 US$'000	2010 US$'000	2009 US$'000
Depreciation	799	943	2,481	2,872
Interest income	(42)	(44)	(111)	(120)
Net foreign exchange loss (Note a)	214	185	531	168
Allowance for inventories	38	246	372	357
Change in fair value of derivative financial instruments	(3)	-	(151)	-
(Gain)/Loss on disposal of property, plant and equipment	(17)	6	(4)	169
Under-provision of income tax expense in respect of prior year	-	-	-	87

Note a: The foreign currency exchange loss for the nine months ended 30 September 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 September 2010

	The Group		The Company	
	As at 30 September 2010 US$'000	As at 31 December 2009 US$'000	As at 30 September 2010 US$'000	As at 31 December 2009 US$'000
ASSETS				
Current Assets:				
Cash and bank balances	39,205	35,828	437	163
Trade receivables	19,606	18,162	-	-
Other receivables and prepayments	1,791	2,235	13	750
Prepaid lease payments	9	9	-	-
Income tax recoverable	7	7	-	-
Inventories	9,037	8,484	-	-
Derivative financial instruments	3	-	-	-
Pledged bank deposits (Note b)	766	1,581	-	-
Total current assets	70,424	66,306	450	913
Non-current assets				
Goodwill	1,516	1,516	-	-
Available-for-sale investments	957	955	-	-
Held-to-maturity investment	975	976	-	-
Other assets	584	518	-	-
Amount due from a subsidiary	-	-	18,326	18,046
Prepaid lease payments	453	453	-	-
Property, plant and equipment	22,619	23,028	-	-
Subsidiaries	-	-	10,735	10,735
Total non-current assets	27,104	27,446	29,061	28,781
Total assets	97,528	93,752	29,511	29,694
LIABILITIES AND EQUITY				
Current liabilities				
Bank and other borrowings	9,542	8,819	-	-
Trade payables	19,942	19,294	-	-
Other payables and accruals	4,280	3,618	122	199
Current portion of obligation under finance leases	284	220	-	-
Income tax payable	284	374	-	-
Derivative financial instruments	-	148	-	-
Total current liabilities	34,332	32,473	122	199
Non-current liabilities				
Bank and other borrowings	5,660	6,874	-	-
Obligation under finance leases	397	325	-	-
Retirement benefit obligations	1,042	816	-	-
Deferred tax liabilities	883	895	-	-
Total non-current liabilities	7,982	8,910	-	-
Capital and reserves				
Issued capital	10,087	10,087	10,087	10,087
Reserves	45,127	42,282	19,302	19,408
Total equity	55,214	52,369	29,389	29,495
Total liabilities and equity	97,528	93,752	29,511	29,694

Note b: As at 30 September 2010, the Group's bank deposits of approximately US$766,000 (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 September 2010		As at 31 December 2009	
	Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
Bank and other borrowings	-	9,542	-	8,819
Obligation under finance leases (Note c)	284	-	220	-
Total	284	9,542	220	8,819

Amount repayable after one year

	As at 30 September 2010		As at 31 December 2009	
	Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
Bank and other borrowings	-	5,660	-	6,874
Obligation under finance leases (Note c)	397	-	325	-
Total	397	5,660	325	6,874

Details of collateral

As at 30 September 2010, the Group's bank deposits of approximately US$766,000 (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 September 2010 and 31 December 2009. The carrying amount of the Group's property, plant and equipment includes an amount of US$1,418,000 (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.

Note c: Included in the obligation under finance leases is the amount of US$275,000 arising from the consolidation of a newly acquired subsidiary during the financial period reported on.

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

CONSOLIDATED CASH FLOW STATEMENT
For the periods ended 30 September 2010

	The Group			
	Three months / third quarter ended 30 September		Nine months ended 30 September	
	2010 US$'000	2009 US$'000	2010 US$'000	2009 US$'000
OPERATING ACTIVITIES				
Profit/(Loss) before income tax	750	1,530	3,308	(615)
Adjustments for				
Share-based payment expenses	-	-	-	111
Allowance for inventories	38	246	372	357
Depreciation	799	943	2,481	2,872
Amortization of prepaid lease payments	3	3	9	9
Interest income	(42)	(44)	(111)	(120)
Interest expenses	76	66	240	212
Gain)/Loss on disposal of property, plant and equipment	(17)	6	(4)	169
Loss on disposal of other assets	-	-	-	3
Retirement benefit obligations	38	40	131	120
Change in fair value of derivative financial instruments	(3)	-	(151)	-
Operating cash flows before movements in working capital	1,642	2,790	6,275	3,118
Trade receivables, other receivables and prepayments	(431)	(5,882)	(1,409)	6,290
Inventories	(96)	1,068	(901)	2,392
Trade payables, other payables and accruals	2,487	3,151	599	(8,976)
Cash from operations	3,602	1,127	4,564	2,824
Income tax paid	(289)	(142)	(944)	(739)
Income tax refunded	-	139	-	139
Interest paid	(76)	(66)	(240)	(212)
Net cash from operating activities	3,237	1,058	3,380	2,012
INVESTING ACTIVITIES				
Proceeds from repayment of a loan receivable	606	260	735	516
Proceeds from disposal of property, plant and equipment	156	6	216	307
Proceeds from disposal of other assets	-	-	-	4
(Increase)/Decrease in other assets	(4)	141	(12)	301
Additional investment in available-for-sale investments	(5)	(5)	(12)	(11)
Purchase of property, plant and equipment (Note d)	(360)	(999)	(832)	(1,480)
Interest income received	42	44	111	120
Acquisition of a subsidiary (Note e)	(61)	-	(61)	-
Net cash from/(used in) investing activities	374	(553)	145	(243)
FINANCING ACTIVITIES				
Payment of share buyback	-	(4)	-	(61)
Decrease/(Increase) in pledged bank deposits	880	(108)	815	(353)
Proceeds from bank and other borrowings	23,136	34,631	51,668	115,790
Repayment of obligation under finance leases	(57)	(90)	(178)	(296)
Repayment of bank and other borrowings	(23,336)	(34,590)	(52,743)	(111,886)
Dividend paid	-	-	(1,511)	(2,017)
Net cash from/(used in) financing activities	623	(161)	(1,949)	1,177
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,234	344	1,576	2,946
NET EFFECT OF CURRENCY TRANSLATION DIFFERENCES	1,111	698	1,801	(165)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	33,860	31,616	35,828	29,877
CASH AND CASH EQUIVALENTS AT END OF PERIOD	39,205	32,658	39,205	32,658

Note d: During 9M2010, the Group acquired property, plant and equipment at an aggregate cost of approximately US$832,000 (9M2009: US$1,480,000) in cash.

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

	The Group			
	Three months / third quarter ended 30 September		Nine months ended 30 September	
	2010	2009	2010	2009
	US$'000	US$'000	US$'000	US$'000
The assets and liabilities of a subsidiary acquired during the periods are as follows:				
Non-current assets	749	-	749	-
Current assets	418	-	418	-
Current liabilities	(823)	-	(823)	-
Non-current liabilities	(165)	-	(165)	-
Net assets acquired	179	-	179	-
Minority interests	(50)	-	(50)	-
Total cost of acquisition	129	-	129	-
Net cash outflow arising on acquisition				
Cash consideration paid	129	-	129	-
Cash and cash equivalents acquired	(68)	-	(68)	-
Cash flow on acquisition, net of cash and cash equivalents acquired	61	-	61	-

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 periods ended 30 September 2010

	Three months / third quarter ended 30 September			Nine months ended 30 September		
	2010 US$'000	2009 US$'000	% Increase/ (Decrease)	2010 US$'000	2009 US$'000	% Increase/ (Decrease)
Profit/(Loss) after income tax	640	1,349	(52.6%)	2,447	(1,232)	(298.6%)
Other comprehensive income:						
Reversal of deferred tax liability on revaluation of available-for-sale investments	8	-	N/A	27	-	N/A
Exchange difference on translation of foreign operations	1,135	689	64.7%	1,896	115	1,548.7%
Available-for-sale investments						
(Loss)/Gain arising during the periods	(21)	(92)	(77.2%)	(64)	12	(633.3%)
Other comprehensive income for the period, net of tax	1,122	597	87.9%	1,859	127	1,363.8%
Total comprehensive income for the period, net of tax	1,762	1,946	(9.5%)	4,306	(1,105)	(489.7%)

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$'000	Minority Interests US$'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
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(13)	1,135	640	-	1,762
Appropriations	-	-	-	-	-	47	1	1	-	-	(49)	-	-
Minority interests in relations to the acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	50	50
Balance as at 30 September 2010	10,087	18,994	(33)	286	(7,020)	4,739	311	1,171	19	10,948	15,662	50	55,214

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 (continued).

	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$'000	Minority Interests US$'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
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(92)	689	1,349	-	1,946
Appropriations	-	-	-	-	-	46	1	1	-	-	(48)	-	-
Shares purchased under Shares Purchase Mandate and held as treasury shares	-	-	(4)	-	-	-	-	-	-	-	-	-	(4)
Balance as at 30 September 2009	10,087	18,994	(23)	286	(7,020)	4,559	308	1,168	12	9,319	14,427	-	52,117

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
Total comprehensive income for the period	-	-	-	-	(8)	(8)
Balance as at 30 September 2010	10,087	18,994	(33)	286	55	29,389

	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
Total comprehensive income for the period	-	-	-	-	(104)	(104)
Shares purchased under Shares Purchase Mandate and held as treasury shares	-	-	(4)	-	-	(4)
Balance as at 30 September 2009	10,087	18,994	(23)	286	258	29,602

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 nine months ended 30 September 2010, the Company did not purchase any shares under the Shares Purchase Mandate. As at 30 September 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
Purchased during the third quarter ended 30 September	-	-	100,000	4
Balance as at 30 September	820,000	33	600,000	23

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 September 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 September 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	503,534,221	503,534,221

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 shares 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 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 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 / third quarter ended 30 September		Nine months ended 30 September	
	2010	2009	2010	2009
Based on weighted average number of ordinary shares in issue (US cents)				
- Basic	0.13	0.27	0.49	(0.24)
- Fully diluted (Note f)	0.13	-	0.48	-
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (Note g)	503,534,221	503,755,308	503,534,221	504,222,433
Effect of dilutive share options	2,571,892	-	2,613,703	-
Weighted average number of ordinary shares for the purpose of diluted earnings per ordinary share	506,106,113	503,755,308	506,147,924	504,222,433

Note f: 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 September 2009 was below the exercise price for the granted options.

Note g: 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 September 2010	31 December 2009
Net asset value per ordinary share, excluding treasury shares (US cents)		
- The Group	10.97	10.40
- The Company	5.84	5.86

The calculation of the net asset value per ordinary share 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

Starting from the third quarter last year, the Group has been enjoying a rebound in overall revenue across all business segments. Total revenue for 9M2010 was US$85.8 million, representing an increase of 11.2% as compared to the corresponding period in the previous year. Gross profit for this period grew by 18.9% to US$20.7 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 1.5% from 22.6% in 9M2009 to 24.1% in 9M2010. There was an increase in the statutory minimum wages for workers in the PRC in 2Q2010 which led to an overall higher labour cost in 9M2010. The gross profit margin for 3Q2010 was reduced to 20.9% as compared to 25.2% for 2Q2010 which was primarily affected the weak demand for products in office automation segment in Japan in the third quarter under review.

The increase in the sales volume contributed to the Group’s net profit of US$2.4 million for 9M2010 as compared to a net loss of US$1.2 million in 9M2009 due to the reasons below.

<u>LCD Backlight Units</u>

Revenue from LCD Backlight Units segment jumped by 16.8% to US$43.1 million for 9M2010 as compared to US$36.9 million in the corresponding period in the previous year. Despite an increase in the revenue, the utilization rate for 9M2010 remained low at approximately 43.5% as compared to 34.5% for 9M2009 due to delay in the launch of planned new models.

In 9M2010, the Group manufactured a total of 21.6 million units backlight units for gamesets and other handheld devices (mainly digital camera) and 1.9 million backlight units for handsets as compared to 18.1 million units and 0.5 million units respectively for 9M2009.

The increase in revenue led to an operating profit of US$1.5 million for 9M2010 as compared to US$0.4 million in the corresponding period in the previous year.

<u>LCD Parts and Accessories</u>

Revenue from the LCD Parts and Accessories segment increased marginally by 3.1% to US$23.1 million for 9M2010 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$1.1 million as compared to US$0.5 million in the corresponding period in the previous year.

<u>Office Automation</u>

Revenue from Office Automation segment was up by 9.5% to US$19.6 million for 9M2010 as compared to the corresponding period in the previous year. With continuing cost containment measures, this segment achieved an operating profit of US$2.5 million for 9M2010 as compared to US$0.8 million for the corresponding period in the previous year.

Other operating income surged by 60.1% to US$0.6 million for 9M2010 over the corresponding period in the previous year resulting from more sales of metal and mould for sales.

Distribution expenses rose by 4.3% to US$1.5 million which was in line with the increased number of units sold.

Administrative expense dropped by 3.1% to US$16.2 million for 9M2010 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 9M2010, and remained at low level under the Group's low debt policy and low interest rate environment.

Income tax expense was slightly increased to US$0.9 million for 9M2010. It was attributable to increased profits in the operating entities in the PRC.

Statement of Financial Position

As at 30 September 2010, the total assets and liabilities stood at US$97.5 million and US$42.3 million respectively.

Current assets increased by US$4.1 million over the nine months to US$70.4 million as at 30 September 2010, and mainly consisted of cash and bank balances, receivables and inventories. Cash and bank balances rose by US$3.4 million over the nine months to US$39.2 million, due to the net cash inflow arising from the receipt from trade receivables less the payment to trade payables. In line with the overall increase in sales, trade receivables increased by US$1.4 million over the nine months to US$19.6 million as at 30 September 2010. The average trade receivable days remained stable at 55 days. Inventory was up by US$0.6 million over the nine months to US$9.0 million as at 30 September 2010, representing additional inventory for new models of LCD backlight units, and the inventory days stayed at 40 days.

Non-current assets totaled US$27.1 million, representing a reduction of US$0.3 million over the nine months. Such reduction was mainly attributable to the depreciation charge for 9M2010 net of purchases of equipment in the same period.

Current liabilities increased by US$1.9 million to US$34.3 million and consisted mainly of bank and other borrowings, payables and accruals. In line with the increase in order volume, trade and other payable increased by US$1.3 million over the nine months to US$24.2 million as at 30 September 2010. The average trade payable days stayed at 84 days.

Non-current liabilities declined by US$0.9 million to US$8.0 million due to the settlement of certain bank and other borrowings.

Cash Flow Statement

The Group had net cash from operating activities amounting to US$3.4 million for 9M2010 as compared to US$2.0 million in the corresponding period in the previous year. It was mainly due to the rise in the operating cash flows as a result of higher sales in the third quarter under review.

For investing activities, the Group recorded net cash from investing activities amounting to US$0.1 million in 9M2010 as compared to net cash used in these activities amounting to US$0.2 million in the corresponding period in the previous year. It was due to the settlement of loan receivable in the third quarter under review. During 9M2010, the Group purchased equipment worth of US$0.8 million and acquired a subsidiary with net cash outflow of US$0.1 million.

During 9M2010, the Group recorded a net cash outflow in financing activities amounting to US$1.9 million as compared to the net cash inflow amounting to US$1.2 million in the corresponding period in the previous year. It was because the Group made a net repayment of bank and other loans amounting to US$1.1 million. Included in the net cash used for financing activities was payment of dividend amounting to US$1.5 million and decrease in pledged bank deposits of US$0.8 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 optimistic about its future prospect, but believes that the business momentum will remain flat as the phase-out of the old models is compensated by the launch of new models. Due to production of new models, we envisage efficiency to fall slightly. In addition, profitability of subsequent quarters may be affected by the timing for the launch of mass production of new models.

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 the 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 are denominated in United States dollars. The Group has been actively mitigating currency risk through forward contracts and options and will continue doing so.

Strong Japanese Yen has also impacted on our operation in Japan. We will review the operation in Japan in the new landscape to mitigate the impact on the performance of Japan Tomoike and its likely impact on the Group's investment in Japan Tomoike. .

The Group continuously contains cost by implementing the following measures: (i) controlling and reducing administrative expenses wherever possible; (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? No

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3, 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 nine months ended 30 September 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
Revenue					
External sales	43,092	19,638	23,085		85,815
Inter-segment sales	39	3,392	2,878	(6,309)	-
Total revenue	43,131	23,030	25,963		85,815
Results					
Segment result	1,465	2,501	1,139		5,105
Unallocated corporate expense					(1,668)
Operating profit					3,437
Interest income					111
Interest expenses					(240)
Profit before income tax					3,308
Income tax expense					(861)
Profit after income tax					2,447
Assets					
Segment assets	31,456	20,372	42,242	(1,033)	93,037
Unallocated assets					4,491
Consolidated total assets					97,528
Liabilities					
Segment liabilities	12,511	6,314	6,042	(1,033)	23,834
Bank and other borrowings and obligation under finance leases					15,883
Unallocated liabilities					2,597
Consolidated total liabilities					42,314
Other information					
Capital expenditure	73	272	487		832
Depreciation of property, plant and equipment	699	325	1,457		2,481

Business segment for the nine months ended 30 September 2009

	LCD backlight units US$'000	Office automation US$'000	LCD parts and accessories US$'000	Eliminations US$'000	Consolidated US$'000
Revenue					
External sales	36,915	17,895	22,395		77,205
Inter-segment sales	179	2,228	3,574	(5,981)	-
Total revenue	37,094	20,123	25,969		77,205
Results					
Segment result	379	767	453		1,599
Unallocated corporate expense					(2,122)
Operating profit					(523)
Interest income					120
Interest expenses					(212)
Profit before income tax					(615)
Income tax expense					(617)
Profit after income tax					(1,232)
Assets					
Segment assets	30,540	16,566	42,089	(2,038)	87,157
Unallocated assets					5,027
Consolidated total assets					92,184
Liabilities					
Segment liabilities	10,084	6,293	6,861	(2,038)	21,200
Bank and other borrowings and obligation under finance leases					16,633
Unallocated liabilities					2,234
Consolidated total liabilities					40,067
Other information					
Capital expenditure	907	142	431		1,480
Depreciation of property, plant and equipment	830	377	1,665		2,872

Geographical Segment for the nine months ended 30 September 2010 and 2009

	Turnover		Non-Current Assets		Capital Expenditure	
	Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September	
	2010 US$'000	2009 US$'000	2010 US$'000	2009 US$'000	2010 US$'000	2009 US$'000
Hong Kong	30,911	22,466	1,219	456	24	149
PRC	39,633	41,686	17,667	18,629	780	466
Japan	15,119	12,813	6,195	7,125	28	865
Others	152	240	-	-	-	-
Total	85,815	77,205	25,081	26,210	832	1,480

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

Information about major customer

Revenue from one key customer which has transactions with all segments accounted for 69% (9M2009: 71%) of total revenue for 9M2010.

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 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 36.0%, 46.2% and 17.6% of the total revenue respectively. Total revenue increased by 11.2% to US$85.8 million for the first nine months in 2010 as compared to the corresponding period in the previous year.

As at 30 September 2010, non-current assets located in Hong Kong, PRC and Japan accounted for 4.9%, 70.4% and 24.7% of the total non-current of the Group assets respectively. During the first nine months of 2010, the Group invested a total capital expenditure of US$0.8 million for the purchase of equipment in Hong Kong, PRC and Japan.

15. A breakdown of sales

	Nine months ended 30 September		
	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%
Sales reported for the third quarter	32,246	31,934	1.0%
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%)
Operating profit after income tax for the third quarter	640	1,349	(52.6%)

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 (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 nine months ended 30 September 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 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 nine months/third quarter ended 30 September 2010 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

YOSHIMI Kunikazu
Executive Director

DY MO Hua Cheung, Philip
Executive Director

12 November 2010