

Unaudited Third Quarter Financial Statements And Dividend Announcement for the Nine Months / Third Quarter Ended 30 September 2011

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement and statement of comprehensive income or a statement of comprehensive income 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 2011

	Note	Three months / third quarter ended 30 September			Nine months ended 30 September		
		2011 US\$'000	2010 US\$'000	% Increase/ (Decrease)	2011 US\$'000	2010 US\$'000	% Increase/ (Decrease)
Revenue		42,811	32,246	32.8%	124,481	85,815	45.1%
Cost of sales		(34,133)	(25,508)	33.8%	(99,186)	(65,119)	52.3%
Gross profit		8,678	6,738	28.8%	25,295	20,696	22.2%
Other operating income		517	258	100.4%	1,108	578	91.7%
Distribution expenses		(597)	(540)	10.6%	(1,673)	(1,539)	8.7%
Administrative expenses		(6,069)	(5,630)	7.8%	(17,793)	(16,187)	9.9%
Finance costs		(74)	(76)	(2.6%)	(229)	(240)	(4.6%)
Profit before income tax	(1)	2,455	750	227.3%	6,708	3,308	102.8%
Income tax expense		(827)	(110)	651.8%	(2,613)	(861)	203.5%
Profit after income tax		1,628	640	154.4%	4,095	2,447	67.3%
Profit attributable to:							
Owners of the Company		1,621	640	153.3%	4,083	2,447	66.9%
Non-controlling interests		7	-	N/A	12	-	N/A
		1,628	640	154.4%	4,095	2,447	67.3%

Note (1)

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

	Three months / third quarter ended 30 September		Nine months ended 30 September	
	2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
Depreciation	852	799	2,555	2,481
Interest income	(192)	(42)	(366)	(111)
Net foreign exchange loss (Note a)	109	214	74	531
Allowance for inventories	(33)	38	441	372
Change in fair value of derivative financial instruments	13	(3)	2	(151)
Loss/(Gain) on disposal of property, plant and equipment	27	(17)	60	(4)
(Over)/Under provision of income tax in respect of prior year	(13)	-	(13)	-
Impairment loss on available-for-sale investment	5	-	5	-

Note a: The foreign currency exchange loss for the nine months ended 30 September 2011 comprised mainly unrealised gain net of unrealised 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 realised gain net of realised loss on payments denominated in foreign currencies other than the functional currency in each Group entity.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the periods ended 30 September 2011

	Three months / third quarter ended 30 September			Nine months ended 30 September		
	2011 US\$'000	2010 US\$'000	% Increase/ (Decrease)	2011 US\$'000	2010 US\$'000	% Increase/ (Decrease)
Profit after income tax	1,628	640	154.4%	4,095	2,447	67.3%
Other comprehensive income: (Deferred tax liability arising)/Reversal of deferred tax liability on revaluation of available-for-sale investments	(6)	8	(175.0%)	(2)	27	(107.4%)
Exchange difference on translation of foreign operations	1,446	1,135	27.4%	2,595	1,896	36.9%
Available-for-sale investments						
Fair value gain/(loss) arising during the periods	62	(21)	(395.2%)	52	(64)	(181.3%)
Reclassification to profit or loss from equity	(39)	-	N/A	(39)	-	N/A
Other comprehensive income for the period, net of tax	1,463	1,122	30.4%	2,606	1,859	40.2%
Total comprehensive income for the period, net of tax	3,091	1,762	75.4%	6,701	4,306	55.6%
Total comprehensive income attributable to:						
Owners of the Company	3,084	1,762	75.0%	6,689	4,306	55.3%
Non-controlling interests	7	-	N/A	12	-	N/A
	3,091	1,762	75.4%	6,701	4,306	55.6%

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 STATEMENT OF FINANCIAL POSITION

As at 30 September 2011

	The Group		The Company	
	As at 30 September 2011 US\$'000	As at 31 December 2010 US\$'000	As at 30 September 2011 US\$'000	As at 31 December 2010 US\$'000
<u>ASSETS</u>				
Current Assets:				
Cash and bank balances	45,201	37,716	275	79
Trade receivables	21,050	23,594	-	-
Other receivables and prepayments	2,150	1,809	11	27
Prepaid lease payments	10	9	-	-
Income tax recoverable	7	7	-	-
Inventories	12,645	10,169	-	-
Derivative financial instruments	-	2	-	-
Pledged bank deposits (Note b)	143	764	-	-
Total current assets	81,206	74,070	286	106
Non-current assets				
Goodwill	1,516	1,516	-	-
Available-for-sale investments	944	867	-	-
Held-to-maturity investment	981	980	-	-
Other assets	662	604	-	-
Amount due from a subsidiary	-	-	17,737	18,625
Prepaid lease payments	468	456	-	-
Property, plant and equipment	23,021	22,417	-	-
Subsidiaries	-	-	10,735	10,735
Total non-current assets	27,592	26,840	28,472	29,360
Total assets	108,798	100,910	28,758	29,466
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Bank and other borrowings	8,271	8,591	-	-
Trade payables	24,612	23,207	-	-
Other payables and accruals	5,508	4,353	441	110
Current portion of obligation under finance leases	208	257	-	-
Income tax payable	1,608	383	-	-
Total current liabilities	40,207	36,791	441	110
Non-current liabilities				
Bank and other borrowings	6,869	6,597	-	-
Obligation under finance leases	288	431	-	-
Retirement benefit obligations	920	750	-	-
Deferred tax liabilities	867	845	-	-
Total non-current liabilities	8,944	8,623	-	-
Capital, reserves and non-controlling interests				
Issued capital	10,087	10,087	10,087	10,087
Reserves	49,544	45,381	18,230	19,269
Equity attributable to owners of the Company	59,631	55,468	28,317	29,356
Non-controlling interests	16	28	-	-
Total equity	59,647	55,496	28,317	29,356
Total liabilities and equity	108,798	100,910	28,758	29,466

Note b: As at 30 September 2011, the Group's bank deposits of approximately US\$143,000 (31 December 2010: US\$764,000) 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 2011		As at 31 December 2010	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Bank and other borrowings	-	8,271	-	8,591
Obligation under finance leases	208	-	257	-
Total	208	8,271	257	8,591

Amount repayable after one year

	As at 30 September 2011		As at 31 December 2010	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Bank and other borrowings	-	6,869	-	6,597
Obligation under finance leases	288	-	431	-
Total	288	6,869	431	6,597

Details of collateral

As at 30 September 2011, the Group's bank deposits of approximately US\$143,000 (31 December 2010: US\$764,000) 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 2011 and 31 December 2010. The carrying amount of the Group's property, plant and equipment includes an amount of US\$1,058,000 (31 December 2010: US\$1,240,000) in respect of assets held under finance leases which are secured by the lessor's title to the leased assets.

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

CONSOLIDATED STATEMENT OF CASH FLOWS				
For the period ended 30 September 2011				
	The Group			
	Three months / third quarter ended 30 September		Nine months ended 30 September	
	2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
OPERATING ACTIVITIES				
Profit before income tax	2,455	750	6,708	3,308
Adjustments for				
Allowance for inventories	(33)	38	441	372
Depreciation	852	799	2,555	2,481
Amortization of prepaid lease payments	3	3	9	9
Interest income	(192)	(42)	(366)	(111)
Interest expenses	74	76	229	240
Impairment loss on available-for-sale investment	5	-	5	-
Loss/(Gain) on disposal of property, plant and equipment	27	(17)	60	(4)
Retirement benefit obligations	40	38	116	131
Change in fair value of derivative financial instruments	13	(3)	2	(151)
Operating cash flows before movements in working capital	3,244	1,642	9,759	6,275
Trade receivables, other receivables and prepayments	479	(431)	2,203	(1,409)
Inventories	(1,233)	(96)	(2,917)	(901)
Trade payables, other payables and accruals	(635)	2,487	2,477	599
Cash from operations	1,855	3,602	11,522	4,564
Income tax paid	(473)	(289)	(1,355)	(944)
Interest paid	(74)	(76)	(229)	(240)
Net cash from operating activities	1,308	3,237	9,938	3,380
INVESTING ACTIVITIES				
Proceeds from repayment of a loan receivable	-	606	-	735
Proceeds from disposal of property, plant and equipment	191	156	319	216
Increase in other assets	(8)	(4)	(19)	(12)
Additional investment in available-for-sale investment	(5)	(5)	(13)	(12)
Purchase of property, plant and equipment (Note c)	(1,059)	(360)	(2,617)	(832)
Amount paid for investment purpose (unauthorised) (Note d)	-	(5,718)	-	(27,699)
Repayment of amount paid for investment purpose (unauthorised) (Note d)	-	5,718	-	27,699
Interest income received	192	42	366	111
Acquisition of additional shares in subsidiary	(16)	-	(16)	-
Acquisition of a subsidiary (Note e)	-	(61)	-	(61)
Net cash (used in)/from investing activities	(705)	374	(1,980)	145
FINANCING ACTIVITIES				
Payment of share buyback	(624)	-	(1,015)	-
Decrease in pledged bank deposits	25	880	621	815
Proceeds from bank and other borrowings	28,858	23,136	76,705	51,668
Repayment of obligation under finance leases	(56)	(57)	(209)	(178)
Repayment of bank and other borrowings	(28,957)	(23,336)	(76,804)	(52,743)
Dividend paid	-	-	(1,511)	(1,511)
Net cash (used in)/from financing activities	(754)	623	(2,213)	(1,949)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(151)	4,234	5,745	1,576
NET EFFECT OF CURRENCY TRANSLATION DIFFERENCES	947	1,111	1,740	1,801
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	44,405	33,860	37,716	35,828
CASH AND CASH EQUIVALENTS AT END OF PERIOD	45,201	39,205	45,201	39,205

Note c: During 9M2011, the Group acquired property, plant and equipment with aggregate cost of approximately US\$2,617,000 (9M2010: US\$832,000). Cash payment of approximately US\$2,617,000 (9M2010: US\$832,000) was made to purchase property, plant and equipment.

- d: The investing activities in the statement of cash flows for the period ended 30 September 2010 was restated to include the cash flows related to certain unauthorised bank transfers for investment purposes and repayment of such transfers.

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

	The Group			
	Three months / third quarter ended 30 September		Nine months ended 30 September	
	2011	2010	2011	2010
	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)(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 capitalisation 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	Attributable to equity holders of the Company US\$'000	Attributable to non-controlling interests US\$'000	Total US\$'000
Balance as at 1 January 2011	10,087	18,994	(33)	266	(7,020)	4,858	313	1,173	21	11,760	15,049	55,468	28	55,496
Total comprehensive income for the period	-	-	-	-	-	-	-	-	25	198	1,030	1,253	11	1,264
Balance as at 31 March 2011	10,087	18,994	(33)	266	(7,020)	4,858	313	1,173	46	11,958	16,079	56,721	39	56,760
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(31)	951	1,432	2,352	(6)	2,346
Shares purchased under Shares Purchase Mandate and held as treasury shares	-	-	(391)	-	-	-	-	-	-	-	-	(391)	-	(391)
Dividend paid	-	-	-	-	-	-	-	-	-	-	(1,511)	(1,511)	-	(1,511)
Balance as at 30 June 2011	10,087	18,994	(424)	266	(7,020)	4,858	313	1,173	15	12,909	16,000	57,171	33	57,204
Total comprehensive income for the period	-	-	-	-	-	-	-	-	17	1,446	1,621	3,084	7	3,091
Arising on the acquisition of additional shares in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(24)	(24)
Shares purchased under Shares Purchase Mandate and held as treasury shares	-	-	(624)	-	-	-	-	-	-	-	-	(624)	-	(624)
Appropriations	-	-	-	-	-	458	6	6	-	-	(470)	-	-	-
Balance as at 30 September 2011	10,087	18,994	(1,048)	266	(7,020)	5,316	319	1,179	32	14,355	17,151	59,631	16	59,647

	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	Attributable to equity holders of the Company US\$'000	Attributable to non-controlling 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	-	52,369
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(27)	802	775	-	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	-	53,144
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(24)	788	1,005	1,769	-	1,769
Dividend paid	-	-	-	-	-	-	-	-	-	-	(1,511)	(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	-	53,402
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(13)	1,135	640	1,762	-	1,762
Minority interest in relations to the acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	50	50
Appropriations	-	-	-	-	-	47	1	1	-	-	(49)	-	-	-
Balance as at 30 September 2010	10,087	18,994	(33)	286	(7,020)	4,739	311	1,171	19	10,948	15,662	55,164	50	55,214

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 2011	10,087	18,994	(33)	266	42	29,356
Total comprehensive income for the period	-	-	-	-	50	50
Balance as at 31 March 2011	10,087	18,994	(33)	266	92	29,406
Total comprehensive income for the period	-	-	-	-	1,700	1,700
Shares purchased under Share Purchase Mandate and held as treasury shares	-	-	(391)	-	-	(391)
Dividend paid	-	-	-	-	(1,511)	(1,511)
Balance as at 30 June 2011	10,087	18,994	(424)	266	281	29,204
Total comprehensive income for the period	-	-	-	-	(263)	(263)
Shares purchased under Share Purchase Mandate and held as treasury shares	-	-	(624)	-	-	(624)
Balance as at 30 September 2011	10,087	18,994	(1,048)	266	18	28,317

	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

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued 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 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.

During the first quarter ended 31 March 2011, the Company did not purchase any shares under the Shares Purchase Mandate.

During the second quarter ended 30 June 2011, the Company purchased 6,530,000 ordinary shares of US\$0.02 each under the Share Purchase Mandate and held them as treasury shares. As at 30 June 2011, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 497,004,221 ordinary shares (excluding treasury shares) and 7,350,000 treasury shares.

During the third quarter ended 30 September 2011, the Company purchased 9,524,000 ordinary shares of US\$0.02 each under the share purchase mandate and held them as treasury shares. As at 30 September 2011, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 487,480,221 ordinary shares (excluding treasury shares), and 16,874,000 treasury shares.

Treasury shares

	The Company			
	2011 Number of shares	US\$'000	2010 Number of shares	US\$'000
Balance as at 1 January	820,000	33	820,000	33
Purchased during the first quarter ended 31 March	-	-	-	-
Purchased during the second quarter ended 30 June	6,530,000	391	-	-
Purchased during the third quarter ended 30 September	9,524,000	624	-	-
Balance as at 30 September	<u>16,874,000</u>	<u>1,048</u>	<u>820,000</u>	<u>33</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 authorised 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. The remaining unexercised 1,464,000 share options were lapsed in 2010.

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 2011 was 19,032,000 (31 December 2010: 19,032,000).

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

	The Company	
	As at 30 September 2011	As at 31 December 2010
Issued shares	504,354,221	504,354,221
Less: Treasury shares	(16,874,000)	(820,000)
Total number of issued shares excluding treasury shares	<u>487,480,221</u>	<u>503,534,221</u>

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

There were no sales, transfers, disposal, cancellation and/or use of treasury 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 2010 except for the adoption of the new and revised Financial Reporting Standards which came into effect this financial year from 1 January 2011. 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 per ordinary share for the periods based on profit attributable to owners of the company on 1(a) above

	Three months / third quarter ended 30 September		Nine months ended 30 September	
	2011	2010	2011	2010
Based on weighted average number of ordinary shares in issue (US cents)				
- Basic	0.33	0.13	0.82	0.49
- Fully diluted	0.33	0.13	0.81	0.48
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (Note f)	493,696,025	503,534,221	499,899,042	503,534,221
Effect of dilutive share options	4,219,046	2,571,892	2,620,158	2,613,703
	<hr/>	<hr/>	<hr/>	<hr/>
Weighted average number of ordinary shares for the purpose of diluted earnings per ordinary share	<u>497,915,071</u>	<u>506,106,113</u>	<u>502,519,200</u>	<u>506,147,924</u>

Note f: 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 2011	31 December 2010
Net asset value per ordinary share, excluding treasury shares (US cents)		
- The Group	12.23	11.02
- The Company	5.81	5.83

The calculation of the net asset value per ordinary share was based on total number of 487,480,221 (31 December 2010: 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

During the first nine months of the current year under review, the Group achieved an increase of US\$38.7 million in revenue to US\$124.5 million as compared to the revenue of US\$85.8 million in the corresponding period of the previous year. This was mainly due to robust sales in the LCD Backlight Units, the Group's largest segment.

The Group's gross profits grew by US\$4.6 million over the corresponding period of the previous year from US\$20.7 million to US\$25.3 million in the current period under review. The continuous selling price erosion and rising labour costs led to the drop in gross profit margin by 3.8% to 20.3% in the current period under review as compared to that in the corresponding period of the previous year. Distribution and administrative expenses increased by 9.8% or about US\$1.7 million to US\$19.5 million while other operating income rose by US\$0.5 million from US\$0.6 million to US\$1.1 million with additional sales of moulds and scrap materials. Included in the administrative expenses were US\$0.7 million directly attributable to the investigation on some unusual bank transfers as previously announced.

Against this backdrop of increased revenue, there was an increase of US\$1.7 million in resultant net profits to US\$4.1 million in the current period under review from US\$2.4 million in the corresponding period of the previous year. Net margins slightly increased from 2.9% in the nine months of the previous period to 3.3% in the current period on account of higher revenue and moderate increase in operating expenses.

LCD Backlight Units

Sharing about half of the Group's total revenue, LCD Backlight Units sales surged by 83.9% or about US\$36.2 million over the current period under review on the back of launching a new gameset model and smart phone models. Revenue for this segment was US\$79.3 million as compared to US\$43.1 million in the corresponding period of the previous year.

With increasing economies of scale in the Group's largest segment, the Group was able to realise cost efficiencies and the segment's operating margin for the current period improved by about 3.8 percentage points to 7.2% as compared to that of the corresponding period of the previous year.

During the current period under review, we manufactured a total of 7.0 million LCD backlight units for handsets (mainly smart phone) and 28.5 million LCD backlight units for gamesets (including camera and global positioning system). In the corresponding period of the previous year, the quantity of LCD backlight units we manufactured for handsets and gamesets were 1.9 million and 21.6 million respectively.

Office Automation

Sales in this segment remained stable at US\$19.3 million in the current period under review as compared to US\$19.6 million in the corresponding period in the previous year. The weak demand in the operation in Japan generated lower revenue, which was compensated by the growth in demand in the PRC. Such weak demand in Japan also caused the operating margin to drop from 12.7% in the corresponding period of the previous year to 6.0% in the current period under review. Nevertheless, the order flow in this segment during the current period under review was stable.

LCD Parts and Accessories

There was a marginal growth in revenue of this segment to US\$25.9 million in the current period under review from US\$23.1 million in the corresponding period of the previous year. Operating margins improved by 3.6 percentage point to 8.5% in the current period under review.

Statement of Financial Position

As at 30 September 2011, total assets and liabilities stood at US\$108.8 million and US\$49.2 million respectively.

Total current assets increased by US\$7.1 million over the current period under review to about US\$81.2 million as at 30 September 2011. The global launch of a new gameset model early this year has increased the sales of backlight unit for this model for the current period under review. Likewise, the inventory was also lifted by the sales orders of LCD backlight unit for this model in the coming months.

For trade receivables, the Group debtor turnover days improved to 46 days as a result of increased sales to customers with shorter credit term. In general, there is no material change in the credit term to customers.

Other receivables were mainly utility deposits, prepaid expenses and VAT recoverable.

Non-current assets totaled US\$27.6 million and remained stable over the nine months. Included in property, plant and equipment was the newly purchased production equipment during the current period amounting to US\$2.6 million and the depreciation charge for the same period.

Total liabilities increased by US\$3.7 million to US\$49.2 million as at 30 September 2011. During the current period under review, the Group maintained the same level of bank loans in these nine months. During the period, the Group had also arranged three years' fixed interest rate term loan to capture the low interest cost opportunity.

For trade payables, the increase in balance was consistent to the rise in the revenue. There was no change in the credit terms from our suppliers.

Other payables and accruals comprised accruals for expenses and wage payable. The increase in other payables and accruals was attributable partly to the increase in wages and partly to the cost provided for the investigation on unusual bank transfers.

The income tax on profit for the current quarter was provided and adjusted under tax rules of different jurisdictions which led to an increase in income tax payable.

Cash Flow Statement

The Group had enjoyed improvement in net cash from operating activities amounting to US\$9.9 million for the nine months of the current year under review as compared to US\$3.4 million net cash from operating activities in the corresponding period of the previous year. The increase in operating cash flow was due to the increase in profit before tax and the improvement on shortening working capital cycle.

For investing activities, the Group purchased property, plant and equipment as stated above in the nine months of the current year under review for replacement of machinery.

For financial activities, during the nine months of the current year under review, the Group paid dividend and exercised share buyback amounting to US\$1.5 million and US\$1.0 million respectively.

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 envisages that the global economy will continue to be affected by the bearish market sentiment caused by the widespread sovereign debt crisis in the Euro Zone. Such effect could lead to further slowdown or weakening of the global demand for high-end electronic products, which would in turn have an impact on the Group's business and profitability as the Group operates in the high-end electronic consumer market dominated by handful mega players.

Despite of the uncertain outlook for the general economy and the highly competitive environment in the electronic consumer market, the Group remains cautiously optimistic about prospects as the Group keeps focusing on higher margin and more popular gameset and smart phone products in the LCD Backlight Units segment. This focus has bolstered sales and strengthened the Group's order book. However, the Group's business and profitability are contingent upon competitive pricing and consumer spending for the end products as well as the timing for launching mass production of new models.

In the other business segments, LCD Parts and Accessories and Office Automation, the Group has experienced continuing pricing pressure and increasing production costs. The Group's primary objective is to continue investing in new production equipment to boost our efficiency and to lower unit labour costs. We

will leverage the good relationship with manufacturers of optical sheets to further develop the business related to Japanese-made optical sheets in the LCD Parts and Accessories segment.

The Group is exposed to country and currency risks. For currency risks, as the Group purchases crucial Japanese-made raw materials and parts for the Group's production in Japanese yen while sales are denominated in United States dollars. Consequently, the continuous weakening USD dollars would adversely affect the Group's profitability due to this foreign currency exposure. The Group has been actively mitigating currency risk through currency forward and option contracts.

For country risks, the requirements of minimum wages and tight labour supply which drive up labour costs in the PRC, appreciating RMB and rising inflation associated with increasing labour costs will likely lead to increased operating costs in the Group's manufacturing operation in the PRC.

On 14 November 2011, the Group announced that a subsidiary in Suzhou received a general notice from the local authorities and was invited to negotiate the sale of its land and buildings under a land acquisition exercise in connection with an urbanisation development plans. In the recent meeting with the local authorities, it was informed that the land acquisition is unavoidable and will be implemented. In this regards, Management is in the process of preparing a contingency plan including, but not limited to, considering the necessity of commissioning a valuation of the land and buildings by CD Suzhou and sourcing for an alternative site in preparation for the relocation of its operations. The Company will closely monitor the situation and will provide an update on this land acquisition once there is further development.

Nevertheless, as mentioned in the past, the Group continues actively exercising tight cost control on administrative expenses, lowering production unit cost and inventory holding cost. The Group will also be open to opportunities for vertical integration, which would secure the supply of key components and parts to enjoy cost advantage for the Group's operation.

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.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained any general mandates from shareholders for IPTs, and did not have any interested person transactions for the nine months ended 30 September 2011.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3, Q4 or Half Year Results)

14. **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 2011

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	79,259	19,324	25,898	-	124,481
Inter-segment sales	-	3,669	2,389	(6,058)	-
Total revenue	79,259	22,993	28,287	(6,058)	124,481
<u>Results</u>					
Segment result	5,713	1,160	2,203		9,076
Unallocated corporate expense					(2,505)
Operating profit					6,571
Interest income					366
Interest expenses					(229)
Profit before income tax					6,708
Income tax expense					(2,613)
Profit after income tax					4,095
<u>Assets</u>					
Segment assets	42,554	19,353	44,158	(1,662)	104,403
Unallocated assets					4,395
Consolidated total assets					108,798
<u>Liabilities</u>					
Segment liabilities	12,674	5,667	12,733	(1,662)	29,412
Bank and other borrowings and obligation under finance leases					15,636
Unallocated liabilities					4,103
Consolidated total liabilities					49,151
<u>Other information</u>					
Capital expenditure	484	847	1,286		2,617
Depreciation of property, plant and equipment	515	387	1,653		2,555

Business segment for the nine months ended 30 September 2010

	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	(6,309)	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

Geographical Segment for the nine months ended 30 September 2011 and 2010

	Turnover		Non-Current Assets		Capital Expenditure	
	Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September	
	2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
Hong Kong	36,497	30,911	1,111	1,219	13	24
PRC	75,101	39,633	18,006	17,667	2,246	780
Japan	12,880	15,119	6,411	6,195	358	28
Others	3	152	-	-	-	-
Total	124,481	85,815	25,528	25,081	2,617	832

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

Information about major customer

Revenue from one key customer which has transactions with all segments accounted for 78% (9M2010: 69%) of total revenue for 9M2011.

15. 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 29.3%, 60.3% and 10.3% of the total revenue respectively. Total revenue increased by 45.1% to US\$124.5 million for the first nine months in 2011 as compared to the corresponding period in the previous year. It was mainly due to the robust sales of LCD Backlight Units in the PRC and Hong Kong.

As at 30 September 2011, non-current assets located in Hong Kong, PRC and Japan accounted for 4.4%, 70.5% and 25.1% of the total non-current of the Group assets respectively. During the first nine months of 2011, the Group invested a total capital expenditure of US\$2.6 million for the purchase of equipment in Hong Kong, PRC and Japan, in which capital expenditure of US\$2.2 million was made in the PRC mainly for replacement of machinery.

16. A breakdown of sales

	Nine months ended 30 September		
	2011 US\$'000	2010 US\$'000	% Increase/ (Decrease)
Sales reported for the first quarter	38,737	25,377	52.6%
Sales reported for the second quarter	42,933	28,192	52.3%
Sales reported for the third quarter	42,811	32,246	32.8%
Operating profit after income tax for the first quarter	1,041	802	29.8%
Operating profit after income tax for the second quarter	1,426	1,005	41.9%
Operating profit after income tax for the third quarter	1,628	640	154.4%

17. 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 2010	Year ended 31 December 2009
Ordinary dividend		
- Interim	1,510	1,008
- Final	1,511	1,511
Total	3,021	2,519

18. Negative confirmation by the Board pursuant to Rule 705(5)

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 our knowledge, nothing has come to the attention of the board of the directors of the Company which may render the financial statements for the nine months / third quarter ended 30 September 2011 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

YOSHIMI Kunikazu
Executive Director
14 November 2011

DY MO Hua Cheung, Philip
Executive Director