

**Unaudited First Quarter Financial Statements And Dividend Announcement for the Three Months / First Quarter Ended 31 March 2014**
**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.**

	Note	Three months / first quarter ended 31 March		
		2014 US\$'000	2013 US\$'000	% Increase/ (Decrease)
Revenue		34,748	34,080	2.0%
Cost of sales		(27,508)	(25,903)	6.2%
Gross profit		7,240	8,177	(11.5%)
Other operating income		508	335	51.6%
Provisional gain on bargain purchase		-	1,494	N.M.*
Distribution expenses		(523)	(521)	0.4%
Administrative expenses		(5,186)	(5,717)	(9.3%)
Finance costs		(35)	(56)	(37.5%)
Profit before income tax	(1)	2,004	3,712	(46.0%)
Income tax expense		(596)	(868)	(31.3%)
Profit after income tax		1,408	2,844	(50.5%)
Profit attributable to:				
Owners of the Company		1,411	2,842	(50.4%)
Non-controlling interests		(3)	2	(250.0%)
		1,408	2,844	(50.5%)

\* N.M.: Not meaningful.

**Note (1)**

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

	Three months / first quarter ended 31 March	
	2014 US\$'000	2013 US\$'000
Depreciation of property, plant and equipment	498	871
Interest income	(412)	(217)
Net foreign exchange loss/(gain) (Note a)	9	(86)
Allowance for inventories	132	46
Net loss on disposal of property, plant and equipment	5	6
Gain on change in fair value of derivative financial instruments	(88)	(37)

Note a: The foreign currency exchange loss for the three months ended 31 March 2014 comprised mainly unrealised loss net of unrealised gain on translating monetary assets less monetary liabilities in foreign currencies, mainly United States dollars and Japanese yen, to functional currency at each Group entity, and realised loss net of realised gain on payments denominated in foreign currencies other than the functional currency in each Group entity.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the period ended 31 March 2014**

	Three months / first quarter ended 31 March		
	2014 US\$'000	2013 US\$'000	% Increase/ (Decrease)
Profit after income tax	1,408	2,844	(50.5%)
Other comprehensive income:			
Deferred tax liability arising on revaluation of available-for-sale investments	(17)	(50)	(66.0%)
Exchange difference on translation of foreign operations	(188)	(877)	(78.6%)
Available-for-sale investments:			
Fair value gain arising during the period	48	106	(54.7%)
Other comprehensive expense for the period, net of tax	(157)	(821)	(80.9%)
Total comprehensive income for the period, net of tax	1,251	2,023	(38.2%)
Total comprehensive income attributable to:			
Owners of the Company	1,254	2,021	(38.0%)
Non-controlling interests	(3)	2	(250.0%)
	1,251	2,023	(38.2%)

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 31 March 2014**

	The Group		The Company	
	As at 31 March 2014 US\$'000	As at 31 December 2013 US\$'000	As at 31 March 2014 US\$'000	As at 31 December 2013 US\$'000
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and bank balances	64,450	51,546	935	630
Trade receivables	13,188	25,262	-	-
Other receivables and prepayments	5,557	6,251	31	24
Income tax recoverable	-	46	-	-
Inventories	8,431	11,839	-	-
Loans and receivables	917	1,894	-	-
Pledged bank deposit (Note b)	144	144	-	-
<b>Total current assets</b>	<b>92,687</b>	<b>96,982</b>	<b>966</b>	<b>654</b>
<b>Non-current assets</b>				
Available-for-sale investments	1,038	960	-	-
Held-to-maturity investment	980	980	-	-
Other assets	789	740	-	-
Amount due from a subsidiary	-	-	19,020	15,960
Property, plant and equipment	9,756	10,098	-	-
Subsidiaries	-	-	10,735	10,735
<b>Total non-current assets</b>	<b>12,563</b>	<b>12,778</b>	<b>29,755</b>	<b>26,695</b>
<b>Total assets</b>	<b>105,250</b>	<b>109,760</b>	<b>30,721</b>	<b>27,349</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Bank and other borrowings	4,308	3,330	-	-
Trade payables	15,969	23,456	-	-
Other payables and accruals	5,861	6,629	461	455
Derivative financial instruments	-	88	-	-
Current portion of obligation under finance leases	190	218	-	-
Income tax payable	1,531	2,064	-	-
<b>Total current liabilities</b>	<b>27,859</b>	<b>35,785</b>	<b>461</b>	<b>455</b>
<b>Non-current liabilities</b>				
Bank and other borrowings	5,468	3,263	-	-
Obligation under finance leases	310	356	-	-
Retirement benefit obligations	691	646	-	-
Deferred tax liabilities	684	723	-	-
<b>Total non-current liabilities</b>	<b>7,153</b>	<b>4,988</b>	<b>-</b>	<b>-</b>
<b>Capital, reserves and non-controlling interests</b>				
Issued capital	10,087	10,087	10,087	10,087
Reserves	60,102	58,848	20,173	16,807
Equity attributable to owners of the Company	70,189	68,935	30,260	26,894
Non-controlling interests	49	52	-	-
<b>Total equity</b>	<b>70,238</b>	<b>68,987</b>	<b>30,260</b>	<b>26,894</b>
<b>Total liabilities and equity</b>	<b>105,250</b>	<b>109,760</b>	<b>30,721</b>	<b>27,349</b>

Note b: As at 31 March 2014, the Group's bank deposits of approximately US\$144,000 (31 December 2013: US\$144,000) 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 31 March 2014		As at 31 December 2013	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
<b>Bank and other borrowings</b>	-	4,308	-	3,330
<b>Obligation under finance leases</b>	190	-	218	-
<b>Total</b>	190	4,308	218	3,330

**Amount repayable after one year**

	As at 31 March 2014		As at 31 December 2013	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
<b>Bank and other borrowings</b>	-	5,468	-	3,263
<b>Obligation under finance leases</b>	310	-	356	-
<b>Total</b>	310	5,468	356	3,263

**Details of collateral**

As at 31 March 2014, the Group's bank deposit of approximately US\$144,000 (31 December 2013: US\$144,000) were pledged to financial institutions to secure banking facilities granted to the Group. The carrying amount of the Group's property, plant and equipment includes an amount of US\$486,000 (31 December 2013: US\$1,150,000) 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.

<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>		
<b>For the period ended 31 March 2014</b>		
	<b>The Group</b>	
	<b>Three months / first quarter ended 31 March</b>	
	<b>2014</b>	<b>2013</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>OPERATING ACTIVITIES</b>		
<b>Profit before income tax</b>	2,004	3,712
Adjustments for		
Allowance for inventories	132	46
Depreciation of property, plant and equipment	498	871
Amortization of prepaid lease payments	-	3
Interest income	(412)	(217)
Interest expenses	35	56
Net loss on disposal of property, plant and equipment	5	6
Retirement benefit obligations	27	47
Provisional gain on bargain purchase	-	(1,494)
Gain on change in fair value of derivative financial instruments	(88)	(37)
<b>Operating cash flows before movements in working capital</b>	2,201	2,993
Trade receivables, other receivables and prepayments	12,767	10,825
Inventories	3,276	2,978
Trade payables, other payables and accruals	(8,254)	(16,352)
<b>Cash generated from operations</b>	9,990	444
<b>Net income tax paid</b>	(1,104)	(1,737)
<b>Interest paid</b>	(35)	(56)
<b>Net cash from/(used in) operating activities</b>	8,851	(1,349)
<b>INVESTING ACTIVITIES</b>		
Proceeds on disposal of property, plant and equipment	22	3
Increase in other assets	(35)	(1)
Additional investment in available-for-sale investments	(3)	(3)
Purchase of property, plant and equipment (Note c)	(175)	(210)
Interest income received	412	217
Acquisition of subsidiary (Note d)	-	376
Decrease in loans and receivables	974	-
<b>Net cash from investing activities</b>	1,195	382
<b>FINANCING ACTIVITIES</b>		
Proceeds from share options exercised	-	82
Payment of share buy back	-	(10)
Repayment of bank and other borrowings	(6,649)	(4,296)
Proceeds from bank and other borrowings	9,766	3,365
Repayment of obligation under finance leases	(77)	(96)
<b>Net cash from/(used in) financing activities</b>	3,040	(955)
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>	13,086	(1,922)
<b>NET EFFECT OF CURRENCY TRANSLATION DIFFERENCES</b>	(182)	(985)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	51,546	53,252
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	64,450	50,345

Note c: In the first quarter ended 31 March 2014, the Group acquired property, plant and equipment with aggregate cost of approximately US\$175,000 (1Q2013: US\$210,000) in cash and did not acquire any property, plant and equipment by means of finance lease (1Q 2013: Nil).

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

	<b>Group</b>	
	<b>Three months / first quarter ended 31 March 2014 US\$'000</b>	<b>Three months / first quarter ended 31 March 2013 US\$'000</b>
The assets and liabilities of a subsidiary acquired during the periods are as follows:		
Non-current assets	-	964
Current assets	-	1,628
Current liabilities	-	(881)
<b>Net assets acquired</b>	-	1,711
Provisional gain on bargain purchase	-	(1,494)
<b>Total cost of acquisition</b>	-	217
<b>Net cash inflow arising on acquisition</b>		
Cash consideration paid	-	217
Cash and cash equivalents acquired	-	(593)
<b>Cash inflow on acquisition, net of cash and cash equivalents acquired</b>	-	(376)

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	Share capital reserve 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 Reserves 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 2014	10,087	18,994	(221)	(2,100)	-	(7,020)	6,656	327	1,187	377	12,681	27,967	68,935	52	68,987
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	31	(188)	1,411	1,254	(3)	1,251
Balance as at 31 March 2014	10,087	18,994	(221)	(2,100)	-	(7,020)	6,656	327	1,187	408	12,493	29,378	70,189	49	70,238

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve 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 Reserves 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 2013	10,087	18,994	(15)	(3,115)	225	(7,020)	6,091	325	1,185	137	13,327	22,689	62,910	36	62,946
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	56	(877)	2,842	2,021	2	2,023
Shares purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(10)	-	-	-	-	-	-	-	-	(10)	-	(10)
Treasury shares transferred out to satisfy share options exercised	-	-	(21)	103	-	-	-	-	-	-	-	-	82	-	82
Transfer on share options exercised	-	-	-	-	(21)	-	-	-	-	-	-	21	-	-	-
Balance as at 31 March 2013	10,087	18,994	(36)	(3,022)	204	(7,020)	6,091	325	1,185	193	12,450	25,552	65,003	38	65,041

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

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve US\$'000	Treasury shares US\$'000	Share option reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Balance as at 1 January 2014	10,087	18,994	(221)	(2,100)	-	134	26,894
Total comprehensive income for the period	-	-	-	-	-	3,366	3,366
Balance as at 31 March 2014	10,087	18,994	(221)	(2,100)	-	3,500	30,260

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve US\$'000	Treasury shares US\$'000	Share option reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Balance as at 1 January 2013	10,087	18,994	(15)	(3,115)	225	247	26,423
Total comprehensive income for the period	-	-	-	-	-	(112)	(112)
Shares purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(10)	-	-	(10)
Treasury shares transferred out to satisfy share option exercised	-	-	(21)	103	-	-	82
Transfer on share options exercised	-	-	-	-	(21)	21	-
Balance as at 31 March 2013	10,087	18,994	(36)	(3,022)	204	156	26,383



- 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 2013, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 474,362,221 ordinary shares (excluding treasury shares) and 29,992,000 treasury shares.

During the first quarter ended 31 March 2014, the Company did not purchase any ordinary share under the share purchase mandate and held them as treasury shares. Also, the Company did not transfer any treasury shares out to satisfy share options exercised under the Company's Employee Share Option Scheme. As at 31 March 2014, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 474,362,221 ordinary shares (excluding treasury shares) and 29,992,000 treasury shares.

### Treasury shares

	The Company			
	2014		2013	
	Number of shares	US\$'000	Number of shares	US\$'000
Balance as at 1 January	29,992,000	2,100	44,512,000	3,115
Purchased during the first quarter ended 31 March	-	-	120,000	10
Transferred during the first quarter ended 31 March	-	-	(1,464,000)	(103)
Balance as at 31 March	<u>29,992,000</u>	<u>2,100</u>	<u>43,168,000</u>	<u>3,022</u>

### Share Options

On 11 June 2008, the Chief Executive Officer of the Company proposed to grant options to four executive directors and eight senior executives (the "Participants") to subscribe for a total 19,032,000 ordinary share of US\$0.02 each in the capital of the Company. This proposal was adopted by the Remuneration Committee and options granted were accepted by the Participants in June 2008. The option will be exercisable at S\$0.07 per share with an exercise period commencing from 11 June 2009 to 10 June 2013 (both days inclusive). During the quarter ended 31 March 2012, 1,464,000 unexercised share options were lapsed on the ground that the employee left the Group. 1,464,000 share options were exercised in each of the quarters ended 30 September 2012 and 31 March 2013, and further 13,176,000 share options were exercised in the quarter ended 30 June 2013 under the Company's Employee Share Option Scheme. 1,464,000 unexercised share options were lapsed and cancelled on 10 June 2013 at the expiry of the share options.

There was no outstanding share option as at 31 March 2014 and 31 December 2013.

- 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 31 March 2014	As at 31 December 2013
Issued shares	504,354,221	504,354,221
Less: Treasury shares	(29,992,000)	(29,992,000)
Total number of issued shares excluding treasury shares	<u>474,362,221</u>	<u>474,362,221</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 2013 except for the adoption of the new and revised International Financial Reporting Standards which came into effect this financial year from 1 January 2014. 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 / first quarter ended 31 March	
	2014	2013
Based on weighted average number of ordinary shares in issue (US cents)		
- Basic	0.30	0.62
- Fully diluted (Note e)	N/A	0.61
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (Note f)	474,362,221	459,939,021
Effect of dilutive share options	N/A	7,266,454
	<hr/>	<hr/>
Weighted average number of ordinary shares for the purpose of diluted earnings per ordinary share	<u>N/A</u>	<u>467,205,475</u>

Note e: Diluted effect on earnings per share referred to share options granted to the participants under the Company's Employee Share Option Scheme remained outstanding as at 31 March 2014.

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.**

	31 March 2014	31 December 2013
Net asset value per ordinary share, excluding treasury shares (US cents)		
- The Group	14.81	14.54
- The Company	6.38	5.67

The calculation of the net asset value per ordinary share was based on total number of 474,362,221 (31 December 2013: 474,362,221) 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**

In the first quarter of the current year under review ("1Q14"), the Group registered a moderate increase of US\$0.6 million in revenue to US\$34.7 million as compared to the revenue of US\$34.1 million in the corresponding quarter in the previous year ("1Q13"). The Group's gross profit for 1Q14 decreased by US\$0.9 million or 11.5% to US\$7.2 million with gross profit margin dropped to 20.8% as compared to 24.0% in 1Q13. The decrease in gross profit margin was mainly attributable to the increase in sales volume of high value items which were driven by material costs, which was explained in detail under segmental analysis below.

Distribution expenses remained stable at US\$0.5 million in 1Q14 (1Q13: US\$0.5 million). Attributable to cost control over them, administrative expenses dropped by US\$0.5 million to US\$5.2 million (1Q13: US\$5.7 million). Finance costs remained at a low level during the quarter as the Group maintained a low gearing policy at low interest rate environment. Income tax expenses were reduced by US\$0.3 million to US\$0.6 million over 1Q14 (1Q13: US\$0.9 million). Against the rise in revenue, the Group recorded a drop of US\$1.7 million and US\$1.4 million in the profit before income tax and the profit after income tax for 1Q14 to US\$2.0 million (1Q13: US\$3.7 million) and US\$1.4 million (1Q13: US\$2.8 million) respectively. In 1Q13, the Group recorded one-off gain on bargain purchase of US\$1.5 million, which resulted in the decline in the profit before and after income tax for 1Q14 as mentioned above.

**LCD Backlight Units**

During 1Q14, the LCD Backlight Units segment sold 2.2 million (1Q13: 2.0 million) backlight units for handsets and 3.6 million (1Q13: 5.2 million) backlight units for gamesets. Despite the decline in number of units sold, this segment's revenue moderately increased by US\$1.3 million to US\$22.9 million in 1Q14 (1Q13: US\$21.6 million), attributable to the product mix with models at higher selling price. Such higher selling price was driven by material costs component, and, therefore, the operating margin was subdued. This segment managed to make an operating profit of US\$2.2 million in 1Q14 (1Q13: US\$3.4 million) at an operating margin of 9.6% (1Q13: 15.8%), representing a decline of 6.2% in operating margin.

**Office Automation**

Sales in the Office Automation segment were affected by weak demand in Japan and the PRC. In 1Q14, the segment recorded a decrease in revenue by US\$1.6 million to US\$4.5 million (1Q13: US\$6.1 million), which led to an operating loss of US\$0.3 million (1Q13: Operating loss of US\$0.2 million) at a negative margin of 6.2% (1Q13: Negative margin of 3.2%).

**LCD Parts and Accessories**

There was a rise in revenue of LCD Parts and Accessories segment by US\$1.0 million to US\$7.4 million in 1Q14 (1Q13: US\$6.4 million). The segment recorded an operating profit of US\$0.3 million in 1Q14 (1Q13: Operating loss of US\$0.4 million) at an operating margin of 4.6% (1Q13: Negative operating margin of 6.9%). The improvement in performance was mainly due to some products introduced in 2Q13 and continued to manufacture in 1Q14.

### **Statement of Financial Position**

Total assets and liabilities as at 31 March 2014 stood at US\$105.3 million (31 December 2013: US\$109.8 million) and US\$35.0 million (31 December 2013: US\$40.8 million) respectively.

Total current assets fell by US\$4.3 million over 1Q14 to US\$92.7 million as at 31 March 2013 (31 December 2013: US\$97.0 million). As a result of decline in revenue in 1Q14, trade receivables and inventories were substantially reduced. The excessive cash released from such reduction in the Group's working capital led to the increase in cash and bank balances. There is no material change in the credit term to customers in general. Other receivables mainly represented utility deposits, prepaid expenses and value-added tax recoverable. Included in loan and receivables is the loan to third party for generating higher interest income.

Total non-current assets as at 31 March 2014 stood at US\$12.6 million (31 December 2013: US\$12.8 million). Included in property, plant and equipment was the newly purchased equipment amounting to US\$0.2 million, which was netted off against the depreciation charge of US\$0.5 million for 1Q14.

Total liabilities as at 31 March 2014 dropped to US\$35.0 million, representing a decrease of US\$5.8 million over 1Q14 (31 December 2013: US\$40.8 million). During 1Q14, the Group redrew new bank loans and other borrowings amounting to US\$9.8 million while settled bank loans and other borrowings, based on repayment schedule, amounting to US\$6.6 million, of which the total amount of bank loans and other borrowings were increased by US\$3.2 million to US\$9.8 million as at 31 March 2014. In addition, the Group did not enter into any finance lease arrangement.

The trade payables were reduced by US\$7.5 million to US\$16.0 million as at 31 March 2014 over 1Q14. It was consistent with the reduction in revenue as explained above. There was no material change in the credit terms offered by the Group's suppliers.

The income tax on profit for 1Q14 was provided and adjusted under tax rules of different jurisdiction.

Included in the non-current liabilities are retirement benefit obligation for directors in the Group's subsidiaries in Japan and deferred tax liabilities.

### **Statement of Cash Flows**

The Group had net cash from operating activities amounting to US\$8.9 million for 1Q14 (1Q13: Net cash used in operating activities amounting to US\$1.3 million). The increase in net cash from operating activities was mainly due to the reduction in revenue and its related working capital over 1Q14.

For investing activities, there was a net cash inflow of US\$1.2 million (1Q13: US\$0.4 million) from investing activities as a result of repayment of loan from a third party and receipt of interest income. During 1Q14, the Group purchased property, plant and equipment amounting to US\$0.2 million (1Q13: US\$0.2 million).

Net cash from financing activities amounted to US\$3.0 million (1Q14: Net cash used in financing activities amounted to US\$1.0 million). The net cash from financing activities mainly included the net proceeds of bank loans amounting to US\$3.1 million during 1Q14.

**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.**

**Business Environment**

In the first quarter of the current financial year (“FY2014”), the Group experienced a slowdown in customers’ orders. This trend will continue to the second quarter of FY2014. Management focuses its effort to secure orders for new models from customers in the second half of FY2014.

The Group’s production facilities in the PRC contend with a persistently high inflation, increasing labour cost and a tightening labour supply. All these factors outweigh the productivity gains from the deployment of more efficient production equipment and processes. The moderately weakening Chinese Renminbi and Japanese Yen against United State dollar in the last quarter would not have any significant impact on the Group’s performance.

**Business segment outlook**

The LCD Backlight Units segment suffers from slowdown in order volume. Management is optimistic that order volume with reasonable margin will be gradually recovered from mid of FY2014 with introduction of new models from existing customers as well as new customers in the PRC.

Demand in the LCD Parts and Accessories and Office Automation segments remains weak and sluggish. Management focuses its effort to secure orders of parts for tablets and super-thin, lightweight notebooks in the LCD Parts and Accessories segment and to develop new products in the Office Automation segment.

Overall, Management remains optimistic towards the performance of the Group’s operation for FY2014.

**Managing risks**

With regularly release of new consumer electronic products and evolving customer trends in the industry in which the Group is operating, the Group’s research and development capability plays a vital role in meeting and retaining customers’ demands. Under this competitive environment with a high level of reliance on a single customer, it is also essential for the Group to diversify its customer base in electronic market, as well as by exploring into other industries which require the Group’s existing technical know-how and production process. As in previous years, currency risk will be mitigated through usage of currency forward and option contracts. Management will seek to maintain the Group’s profitability through minimising operating expenses by regular reviews of operating costs, production process re-engineering and active inventory management.

**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 a general mandate from shareholders for IPTs. The IPTs for the year are as follows:

	<b>Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</b>	<b>Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)</b>
<b>Name of interested person</b>	<b>US\$'000</b>	<b>US\$'000</b>
Mr YOSHIMI Kunikazu - Advisory fee	62	-
<b>Total</b>	62	-

**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 three months / first quarter ended 31 March 2014**

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 US\$'000	Office automation US\$'000	LCD parts and accessories US\$'000	Eliminations US\$'000	Consolidated US\$'000
<b><u>Revenue</u></b>					
External sales	22,905	4,472	7,371	-	34,748
Inter-segment sales	-	239	79	(318)	-
Total revenue	22,905	4,711	7,450	(318)	34,748
<b><u>Results</u></b>					
Segment result	2,207	(278)	340		2,269
Unallocated corporate expense					(642)
Operating profit					1,627
Interest income					412
Interest expenses					(35)
Profit before income tax					2,004
Income tax expense					(596)
Profit after income tax					1,408
<b><u>Assets</u></b>					
Segment assets	41,255	14,979	45,337	(740)	100,831
Unallocated assets					4,419
Consolidated total assets					105,250
<b><u>Liabilities</u></b>					
Segment liabilities	10,579	3,109	8,421	(740)	21,369
Bank and other borrowings and obligation under finance leases					10,276
Unallocated liabilities					3,367
Consolidated total liabilities					35,012
<b><u>Other information</u></b>					
Capital expenditure	17	11	147		175
Depreciation of property, plant and equipment	148	93	257		498

**Business segment for the three months / first quarter ended 31 March 2013**

	<b>LCD backlight units</b>	<b>Office automation</b>	<b>LCD parts and accessories</b>	<b>Eliminations</b>	<b>Consolidated</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Revenue</b>					
External sales	21,556	6,100	6,424	-	34,080
Inter-segment sales	-	212	519	(731)	-
<b>Total revenue</b>	<b>21,556</b>	<b>6,312</b>	<b>6,943</b>	<b>(731)</b>	<b>34,080</b>
<b>Results</b>					
Segment result	3,411	(196)	(445)		2,770
Provisional gain on bargain purchase					1,494
Unallocated corporate expense					(713)
<b>Operating profit</b>					<b>3,551</b>
Interest income					217
Interest expenses					(56)
<b>Profit before income tax</b>					<b>3,712</b>
Income tax expense					(868)
<b>Profit after income tax</b>					<b>2,844</b>
<b>Assets</b>					
Segment assets	32,473	20,155	43,282	(577)	95,333
Unallocated assets					7,828
<b>Consolidated total assets</b>					<b>103,161</b>
<b>Liabilities</b>					
Segment liabilities	8,518	6,354	8,211	(577)	22,506
Bank and other borrowings and obligation under finance leases					10,139
Unallocated liabilities					5,475
<b>Consolidated total liabilities</b>					<b>38,120</b>
<b>Other information</b>					
Capital expenditure	29	109	72		210
Depreciation of property, plant and equipment	128	114	629		871

**Geographical Segment for the three months / first quarter ended 31 March 2014 and 2013**

	<b>Turnover</b>		<b>Non-Current Assets</b>		<b>Capital Expenditure</b>	
	<b>Three months / first quarter ended 31 March</b>		<b>Three months / first quarter ended 31 March</b>		<b>Three months / first quarter ended 31 March</b>	
	<b>2014 US\$'000</b>	<b>2013 US\$'000</b>	<b>2014 US\$'000</b>	<b>2013 US\$'000</b>	<b>2014 US\$'000</b>	<b>2013 US\$'000</b>
<b>Hong Kong</b>	9,172	9,858	263	195	13	3
<b>PRC</b>	22,518	19,927	7,403	16,868	134	207
<b>Japan</b>	2,667	2,861	2,731	3,213	28	-
<b>Others</b>	391	1,434	-	-	-	-
<b>Total</b>	<b>34,748</b>	<b>34,080</b>	<b>10,397</b>	<b>20,276</b>	<b>175</b>	<b>210</b>

Non-current assets as at 31 March 2014 mainly comprise property, plant, equipment and deposits.

Non-current assets as at 31 March 2013 also included prepaid lease payments and property, plant and equipment of Suzhou plant which was disposed of in the quarter ended 30 September 2013 and the subsequent closure of the metal stamping operations.

**Information about major customer**

Revenue from one key customer which has transactions with all segments accounted for 77.4% (1Q2013: 75.0%) of total revenue for 1Q2014.



**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 mainly in Hong Kong, the PRC and Japan. Revenue in Hong Kong, the PRC and Japan accounted for 26.4%, 64.8% and 7.7% of the total revenue respectively. Total revenue increased by 2.0% to US\$34.7 million for the current quarter as compared to the corresponding period in the previous year.

As at 31 March 2014, non-current assets located in Hong Kong, the PRC and Japan accounted for 2.5%, 71.2% and 26.3% of the total non-current assets of the Group respectively. During this quarter, the Group invested a total capital expenditure of US\$0.2 million for the purchase of equipment in Hong Kong, the PRC and Japan, and it is mainly for replacement of machinery.

**16. A breakdown of sales**

	Three months / first quarter ended 31 March		
	2014 US\$'000	2013 US\$'000	% Increase/ (Decrease)
Sales reported for the first quarter	34,748	34,080	2.0%
Operating profit after income tax for the first quarter	1,408	2,844	(50.5%)

**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 2013	Year ended 31 December 2012
Ordinary dividend		
- Interim	2,371	2,351
- Final	3,321	3,321
Total	5,692	5,672

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

We, Urano Koichi 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 three months / first quarter ended 31 March 2014 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

URANO Koichi  
Executive Director  
13 May 2014

DY MO Hua Cheung, Philip  
Executive Director