

**Unaudited First Half Financial Statements And Dividend Announcement for the Six months / Second Quarter Ended 30 June 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 / second quarter ended 30 June			Six months / half-year ended 30 June		
		2014 US\$'000	2013 US\$'000	% Increase/ (Decrease)	2014 US\$'000	2013 US\$'000	% Increase/ (Decrease)
Revenue		31,017	34,774	(10.8%)	65,765	68,854	(4.5%)
Cost of sales		(23,739)	(26,156)	(9.2%)	(51,247)	(52,059)	(1.6%)
Gross profit		7,278	8,618	(15.5%)	14,518	16,795	(13.6%)
Other operating income		775	338	129.3%	1,283	673	90.6%
Provisional gain on bargain purchase		-	-	N.M.*	-	1,494	N.M.*
Distribution expenses		(500)	(626)	(20.1%)	(1,023)	(1,147)	(10.8%)
Administrative expenses		(5,482)	(6,119)	(10.4%)	(10,668)	(11,836)	(9.9%)
Finance costs		(49)	(47)	4.3%	(84)	(103)	(18.4%)
Profit before income tax	(1)	2,022	2,164	(6.6%)	4,026	5,876	(31.5%)
Income tax expense		(242)	(131)	84.7%	(838)	(999)	(16.1%)
Profit after income tax		1,780	2,033	(12.4%)	3,188	4,877	(34.6%)
Profit attributable to:							
Owners of the Company		1,778	2,043	(13.0%)	3,189	4,885	(34.7%)
Non-controlling interests		2	(10)	(120.0%)	(1)	(8)	(87.5%)
		1,780	2,033	(12.4%)	3,188	4,877	(34.6%)

\* N.M.: Not meaningful.

**Note (1)**

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

	Three months / second quarter ended 30 June		Six months / half-year ended 30 June	
	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000
Depreciation of property, plant and equipment	469	774	967	1,645
Interest income	(354)	(244)	(766)	(461)
Net foreign exchange (gain)/loss (Note a)	(54)	205	(45)	119
Allowance for inventories	59	81	191	127
Gain on change in fair value of derivative financial instruments	-	-	(88)	(37)
Net loss on disposal of property, plant and equipment	-	58	5	64
Gain on redemption of available-for-sale investments	(393)	-	(393)	-

Note a: The foreign currency exchange gain for the six months ended 30 June 2014 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 period ended 30 June 2014**

	Three months / second quarter ended 30 June			Six months / half-year ended 30 June		
	2014 US\$'000	2013 US\$'000	% Increase/ (Decrease)	2014 US\$'000	2013 US\$'000	% Increase/ (Decrease)
Profit after income tax	1,780	2,033	(12.4%)	3,188	4,877	(34.6%)
Other comprehensive income:						
Deferred tax liability arising on revaluation of available-for-sale investments	(11)	(35)	(68.6%)	(28)	(85)	(67.1%)
Exchange difference on translation of foreign operations	117	234	(50.0%)	(71)	(643)	(89.0%)
Available-for-sale investments: Fair value gain arising during the periods	30	130	(76.9%)	78	236	(66.9%)
Other comprehensive income/(expense) for the periods, net of tax	136	329	(58.7%)	(21)	(492)	(95.7%)
Total comprehensive income for the periods, net of tax	1,916	2,362	(18.9%)	3,167	4,385	(27.8%)
Total comprehensive income attributable to:						
Owners of the Company	1,914	2,372	(19.3%)	3,168	4,393	(27.9%)
Non-controlling interests	2	(10)	(120.0%)	(1)	(8)	(87.5%)
	1,916	2,362	(18.9%)	3,167	4,385	(27.8%)

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 June 2014**

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 30 June 2014 US\$'000</b>	<b>As at 31 December 2013 US\$'000</b>	<b>As at 30 June 2014 US\$'000</b>	<b>As at 31 December 2013 US\$'000</b>
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and bank balances	60,239	51,546	381	630
Trade receivables	14,492	25,262	-	-
Other receivables and prepayments	6,347	6,251	711	24
Income tax recoverable	-	46	-	-
Inventories	9,511	11,839	-	-
Loans and receivables	2,000	1,894	-	-
Pledged bank deposit (Note b)	144	144	-	-
<b>Total current assets</b>	<b>92,733</b>	<b>96,982</b>	<b>1,092</b>	<b>654</b>
<b>Non-current assets</b>				
Available-for-sale investments	98	960	-	-
Held-to-maturity investment	980	980	-	-
Other assets	808	740	-	-
Amount due from a subsidiary	-	-	16,181	15,960
Property, plant and equipment	9,475	10,098	-	-
Subsidiaries	-	-	10,793	10,735
<b>Total non-current assets</b>	<b>11,361</b>	<b>12,778</b>	<b>26,974</b>	<b>26,695</b>
<b>Total assets</b>	<b>104,094</b>	<b>109,760</b>	<b>28,066</b>	<b>27,349</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Bank and other borrowings	4,404	3,330	-	-
Trade payables	15,871	23,456	-	-
Other payables and accruals	6,042	6,629	207	455
Derivative financial instruments	-	88	-	-
Current portion of obligation under finance leases	194	218	-	-
Income tax payable	518	2,064	-	-
<b>Total current liabilities</b>	<b>27,029</b>	<b>35,785</b>	<b>207</b>	<b>455</b>
<b>Non-current liabilities</b>				
Bank and other borrowings	6,171	3,263	-	-
Obligation under finance leases	272	356	-	-
Retirement benefit obligations	697	646	-	-
Deferred tax liabilities	737	723	-	-
<b>Total non-current liabilities</b>	<b>7,877</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	59,091	58,848	17,772	16,807
Equity attributable to owners of the Company	69,178	68,935	27,859	26,894
Non-controlling interests	10	52	-	-
<b>Total equity</b>	<b>69,188</b>	<b>68,987</b>	<b>27,859</b>	<b>26,894</b>
<b>Total liabilities and equity</b>	<b>104,094</b>	<b>109,760</b>	<b>28,066</b>	<b>27,349</b>

Note b: As at 30 June 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.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

	As at 30 June 2014		As at 31 December 2013	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
<b>Bank and other borrowings</b>	-	4,404	-	3,330
<b>Obligation under finance leases</b>	194	-	218	-
<b>Total</b>	194	4,404	218	3,330

**Amount repayable after one year**

	As at 30 June 2014		As at 31 December 2013	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
<b>Bank and other borrowings</b>	-	6,171	-	3,263
<b>Obligation under finance leases</b>	272	-	356	-
<b>Total</b>	272	6,171	356	3,263

**Details of collateral**

As at 30 June 2014, the Group's bank deposit of approximately US\$144,000 (31 December 2013: US\$144,000) was 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\$449,000 (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 30 June 2014</b>				
	<b>The Group</b>			
	<b>Three months / second quarter ended 30 June</b>		<b>Six months / half-year ended 30 June</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>OPERATING ACTIVITIES</b>				
<b>Profit before income tax</b>	2,022	2,164	4,026	5,876
Adjustments for				
Allowance for inventories	59	81	191	127
Depreciation of property, plant and equipment	469	774	967	1,645
Amortization of prepaid lease payments	-	3	-	6
Interest income	(354)	(244)	(766)	(461)
Interest expenses	49	47	84	103
Gain on redemption of available-for-sale investments	(393)	-	(393)	-
Net loss on disposal of property, plant and equipment	-	58	5	64
Retirement benefit obligations	37	(32)	64	15
Provisional gain on bargain purchase	-	-	-	(1,494)
Gain on change in fair value of derivative financial instruments	-	-	(88)	(37)
Goodwill written off	16	-	16	-
Share-based payment expense	30	-	30	-
<b>Operating cash flows before movements in working capital</b>	1,935	2,851	4,136	5,844
Trade receivables, other receivables and prepayments	(1,392)	(5,689)	11,375	5,136
Inventories	(1,139)	(5,069)	2,137	(2,091)
Trade payables, other payables and accruals	82	4,212	(8,172)	(12,140)
<b>Cash (used in)/generated from operations</b>	(514)	(3,695)	9,476	(3,251)
<b>Net income tax paid</b>	(1,227)	(2,334)	(2,331)	(4,071)
<b>Interest paid</b>	(49)	(47)	(84)	(103)
<b>Retirement benefit obligations paid</b>	(41)	(540)	(41)	(540)
<b>Net cash (used in)/from operating activities</b>	(1,831)	(6,616)	7,020	(7,965)
<b>INVESTING ACTIVITIES</b>				
Increase in loans and receivables	(1,080)	-	(106)	-
Proceeds on disposal of property, plant and equipment	-	592	22	595
Increase in other assets	(8)	(11)	(43)	(12)
Additional investment in available-for-sale investments	(3)	(3)	(6)	(6)
Proceeds on redemption of available-for-sale investments	979	-	979	-
Purchase of property, plant and equipment (Note c)	(141)	(332)	(316)	(542)
Interest income received	354	244	766	461
Acquisition of subsidiary (Note d)	-	-	-	376
<b>Net cash from investing activities</b>	101	490	1,296	872
<b>FINANCING ACTIVITIES</b>				
Proceeds from share options exercised	-	737	-	819
Payment of share buy back	-	-	-	(10)
Proceeds from bank and other borrowings	2,582	2,233	12,348	5,598
Repayment of obligation under finance leases	(47)	(125)	(124)	(221)
Repayment of bank and other borrowings	(1,813)	(2,937)	(8,462)	(7,233)
Dividend paid	(3,321)	(3,321)	(3,321)	(3,321)
<b>Net cash (used in)/from financing activities</b>	(2,599)	(3,413)	441	(4,368)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(4,329)	(9,539)	8,757	(11,461)
<b>NET EFFECT OF CURRENCY TRANSLATION DIFFERENCES</b>	118	(272)	(64)	(1,257)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	64,450	50,345	51,546	53,252
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	60,239	40,534	60,239	40,534

Note c: During the six months ended 30 June 2014, the Group acquired property, plant and equipment with aggregate cost of approximately US\$328,000 (IH2013: US\$542,000) of which US\$12,000 (IH2013: Nil) was acquired by means of finance lease. Cash payment of approximately US\$316,000 (IH2013: US\$542,000) was made to purchase property, plant, and equipment.

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

	Group			
	Three months / second quarter ended 30 June		Six months / half-year ended 30 June	
	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000
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
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	19	117	1,778	1,914	2	1,916
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(3,321)	(3,321)	-	(3,321)
Release on redemption of available-for-sale investments	-	-	-	-	-	-	-	-	-	(393)	-	-	(393)	-	(393)
Share capital reserve and treasury shares transferred out to satisfy the acquisition of non-controlling interests	-	-	19	39	-	-	-	-	-	-	-	-	58	-	58
Transferred out on acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(41)	(41)
Transfer	-	-	-	-	-	-	53	-	-	-	-	(53)	-	-	-
Share options granted	-	-	-	-	731	-	-	-	-	-	-	-	731	-	731
Balance as at 30 June 2014	10,087	18,994	(202)	(2,061)	731	(7,020)	6,709	327	1,187	34	12,610	27,782	69,178	10	69,188

	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
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	95	234	2,043	2,372	(10)	2,362
Treasury shares transferred out to satisfy share options exercised	-	-	(185)	922	-	-	-	-	-	-	-	-	737	-	737
Transfer on share options exercised	-	-	-	-	(184)	-	-	-	-	-	-	184	-	-	-
Transfer on share options lapsed	-	-	-	-	(20)	-	-	-	-	-	-	20	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(3,321)	(3,321)	-	(3,321)
Balance as at 30 June 2013	10,087	18,994	(221)	(2,100)	-	(7,020)	6,091	325	1,185	288	12,684	24,478	64,791	28	64,819

**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
Total comprehensive income for the period	-	-	-	-	-	131	131
Dividend paid	-	-	-	-	-	(3,321)	(3,321)
Share capital reserve and treasury share transferred out to satisfy the acquisition of non-controlling interests	-	-	19	39	-	-	58
Share options granted	-	-	-	-	731	-	731
Balance as at 30 June 2014	10,087	18,994	(202)	(2,061)	731	310	27,859

	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 share 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
Total comprehensive income for the period	-	-	-	-	-	3,501	3,501
Treasury share transferred out to satisfy share option exercised	-	-	(185)	922	-	-	737
Transfer on share options exercised	-	-	-	-	(184)	184	-
Transfer on share options lapsed	-	-	-	-	(20)	20	-
Dividend paid	-	-	-	-	-	(3,321)	(3,321)
Balance as at 30 June 2013	10,087	18,994	(221)	(2,100)	-	540	27,300



**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.

During the second quarter ended 30 June 2014, 552,000 treasury shares were transferred out to satisfy the acquisition of non-controlling interests. As at 30 June 2014, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 474,914,221 ordinary shares (excluding treasury shares), and 29,440,000 treasury shares.

### Treasury shares

	The Company			
	2014 Number of shares	US\$'000	2013 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)
Transferred during the second quarter ended 30 June	(552,000)	(39)	(13,176,000)	(922)
Balance as at 30 June	<u>29,440,000</u>	<u>2,061</u>	<u>29,992,000</u>	<u>2,100</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.

On 30 May 2014, the Company made a proposal on grant of options to eight directors and thirteen senior executives (the "Participants") pursuant to CDW Employees Share Option Scheme 2013. This proposal was adopted and administrated by Remuneration Committee. The options granted were accepted by the Participants in June 2014. The option will be exercisable at S\$0.108 per share with an exercise period commencing from 30 May 2014 to 29 May 2019 (both day inclusive).

The number of outstanding share options as at 30 June 2014 was 19,000,000 (31 December 2013: Nil).

**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 June 2014	As at 31 December 2013
Issued shares	504,354,221	504,354,221
Less: Treasury shares	(29,440,000)	(29,992,000)
Total number of issued shares excluding treasury shares	<u>474,914,221</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.**

During the six months ended 30 June 2014, total 552,000 treasury share was transferred out to satisfy the acquisition of non-controlling interests in a subsidiary. Except for this transfer, there was 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 / second quarter ended 30 June		Six months / half-year ended 30 June	
	2014	2013	2014	2013
Based on weighted average number of ordinary shares in issue (US cents)				
- Basic	0.37	0.43	0.67	1.05
- Fully diluted (Note e)	0.37	0.43	0.67	1.04
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (Note f)	474,507,803	470,565,474	474,435,414	465,281,602
Effect of dilutive share options	1,226,596	2,423,595	616,687	5,179,481
Weighted average number of ordinary shares for the purpose of diluted earnings per ordinary share	<u>475,734,399</u>	<u>472,989,069</u>	<u>475,052,101</u>	<u>470,461,083</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 30 June 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.**

	30 June 2014	31 December 2013
Net asset value per ordinary share, excluding treasury shares (US cents)		
- The Group	14.57	14.54
- The Company	5.87	5.67

The calculation of the net asset value per ordinary share was based on total number of 474,914,221 (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 half of the current year under review ("1H14"), the Group registered a decrease of US\$3.1 million in revenue to US\$65.8 million as compared to the revenue of US\$68.9 million in the corresponding period in the previous year ("1H13"). The Group's gross profit for 1H14 reduced by US\$2.3 million or 13.6% to US\$14.5 million from US\$16.8 million for 1H13 with gross profit margin dropped to 22.1% in 1H14 as compared to 24.4% in 1H13. The fall in gross profit margin was mainly attributable to the increase in material costs, which was explained in detail under LCD Backlight units segment below.

Other income included the gain on redemption of available-for-sale investments amounting to US\$0.4 million. Distribution expenses were moderately decreased by US\$0.1 million to US\$1.0 million in 1H14 (1H13: US\$1.1 million). Attributable to the closure of operation in Suzhou and cost control measures, administrative expenses dropped by US\$1.1 million to US\$10.7 million in 1H14 (1H13: US\$11.8 million). Finance costs remained at a low level during the period under review as the Group maintained a low gearing policy at low interest rate environment. Income tax expenses were reduced by US\$0.2 million to US\$0.8 million over 1H14 (1H13: US\$1.0 million). In the absence of gain on bargain purchase recorded in 1H13 and with the drop in revenue, the Group recorded a drop of US\$1.9 million and US\$1.7 million in the profit before income tax and the profit after income tax for 1H14 to US\$4.0 million (1H13: US\$5.9 million) and US\$3.2 million (1H13: US\$4.9 million) respectively.

**LCD Backlight Units**

During 1H14, the LCD Backlight Units segment sold 3.5 million (1H13: 4.8 million) backlight units for handsets and 5.9 million (1H13: 8.7 million) backlight units for gamesets. Despite the decline in number of units sold, this segment's revenue moderately fell by US\$0.1 million to US\$42.7 million in 1H14 (1H13: US\$42.8 million), attributable to the product mix of higher proportion of bigger size LCD backlight units at a higher selling price. This product mix subdued the profit margin because there was a higher proportion of material costs in cost of sales for bigger size LCD backlight units, even though such product mix resulted in a higher average selling price. This segment managed to make an operating profit of US\$4.3 million in 1H14 (1H13: US\$5.9 million) at an operating margin of 10.2% (1H13: 13.7%), representing a decline of 3.5% in operating margin.

**Office Automation**

Sales in the Office Automation segment were affected by weak demand in Japan and the PRC. In 1H14, it recorded a decrease in revenue by US\$2.1 million to US\$9.3 million (1H13: US\$11.4 million). With an agreement with customers to cease production of loss-making parts, this segment narrowed an operating loss to US\$0.1 million (1H13: Operating loss of US\$0.4 million) at an improved negative margin of 1.4% (1H13: Negative margin of 3.3%)

### LCD Parts and Accessories

There was a drop in revenue of LCD Parts and Accessories segment by US\$0.8 million to US\$13.8 million in 1H14 (1H13: US\$14.6 million). The segment recorded an operating profit of US\$0.5 million in 1H14 (1H13: Operating loss of US\$0.1 million) at an operating margin of 3.8% (1H13: Negative operating margin of 0.6%). The improvement in performance was mainly due to the introduction of new products for smart phones during the period under review.

### Statement of Financial Position

Total assets and liabilities as at 30 June 2014 stood at US\$104.1 million (31 December 2013: US\$109.8 million) and US\$34.9 million (31 December 2013: US\$40.8 million) respectively.

Total current assets fell by US\$4.3 million over 1H14 to US\$92.7 million as at 30 June 2014 (31 December 2013: US\$97.0 million). As a result of decline in revenue in 1H14, 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 terms to customers in general. Other receivables mainly represented utility deposits, prepaid expenses and value-added tax recoverable. Included in loans and receivables is the loan to third party for generating higher interest income.

Total non-current assets as at 30 June 2014 stood at US\$11.4 million (31 December 2013: US\$12.8 million). Included in property, plant and equipment was the newly purchased equipment amounting to US\$0.3 million, which was netted off against the depreciation charge of US\$1.0 million for 1H14.

Total liabilities as at 30 June 2014 was down to US\$34.9 million, representing a decrease of US\$5.9 million over 1H14 (31 December 2013: US\$40.8 million). During 1H14, the Group redrew new bank loans and other borrowings amounting to US\$12.3 million while settled bank loans and other borrowings amounting to US\$8.5 million. The total amount of bank and other borrowings were increased by US\$4.0 million to US\$10.6 million as at 30 June 2014. In order to take the advantage of low interest environment, the increase in bank loans is of long-term nature and at fixed interest rate.

The trade payables were reduced by US\$7.6 million over 1H14 to US\$15.9 million as at 30 June 2014 (31 December 2013: US\$23.5 million). 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 1H14 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 generated net cash from operating activities amounting to US\$7.0 million for 1H14 (1H13: Net cash used in operating activities amounting to US\$8.0 million). The increase in net cash from operating activities was mainly due to the reduction in revenue and working capital over 1H14.

For investing activities, there was a net cash inflow of US\$1.3 million over 1H14 (1H13: US\$0.9 million) from investing activities over the period under review, mainly attributable to the redemption of available-for-sale investments and receipt of interest income. During 1H14, the Group purchased property, plant and equipment amounting to US\$0.3 million (1H13: US\$0.5 million).

Net cash from financing activities amounted to US\$0.4 million over 1H14 (1H13: Net cash used in financing activities amounted to US\$4.4 million). The net cash from financing activities mainly included the net proceeds of bank loans amounting to US\$3.9 million during 1H14 (1H13: Net repayment of bank loans amounting to US\$1.6 million) and the payment of FY2013 final dividends of US\$ 3.3 million (1H13: FY2012 final dividend of US\$3.3 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.**

**Business Environment**

In the first half of the current financial year (“FY2014”), the Group experienced a general slowdown in customer orders. Management has secured orders for new models from customers in the second half of FY2014.

The persistent inflation and increasing labour cost associated with tightening labour supply in the PRC, where the Group’s production facilities are located, have outweighed the productivity gains from the deployment of more efficient production equipment and processes. In the first half of FY2014, the weakening Chinese Renminbi and Japanese Yen against United State dollar has been so moderate that it would not materially affect the Group’s performance

**Business segment outlook**

The LCD Backlight Units segment suffers from slowdown in sales orders of phased-out old models. Volume orders of new models have been secured for the second half of FY2014, and Management continues to explore new customers in the PRC. It is the market trend that LCD backlight units for smart phones and tablets will dominate this segment. Such bigger size of LCD backlight units, albeit with higher average selling price, would lead to a lower profit margin compared to small size LCD backlight units as bigger size LCD backlight units require a higher proportion of materials. This trend is expected to persist in the foreseeable future. For ultra-thin backlight units, there had been a shortage of a key part due to production difficulty, and management is working to ensure a stable supply as any shortage of such part may interrupt the delivery of ultra-thin backlight units and reduce sales to the Group’s key customer.

Contending against the weak and sluggish demand in the LCD Parts and Accessories and Office Automation segments, Management continues to focus its effort on securing orders of parts for tablets and super-thin, lightweight notebooks in the LCD Parts and Accessories segment and developing new products in the Office Automation segment.

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

**Managing risks**

In an environment where new consumer electronic products are regularly released, the Group’s research and development capability plays a vital role in meeting and retaining customers’ demands. The risk of high reliance on a single customer may be mitigated by the Group’s effort 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. Same in previous years, foreign currency exposure is minimized through the usage of currency forward and option contracts.

On one hand, 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. On the other hand, Management explores investment opportunities in new business segments with stable income and business growth in order to improve the earning quality.

**11. Dividend****(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share	0.5 US cents per ordinary share
Tax Rate	Tax not applicable

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share	0.5 US cents per ordinary share
Tax Rate	Tax not applicable

**(c) Date payable**

To be announced later.

**(d) Books closure date**

To be announced later.

**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 does not have a general mandate from shareholders for IPTs. The IPTs for the six months ended 30 June 2014 are as follows:

	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)	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)
Name of interested person	US\$'000	US\$'000
Mr YOSHIMI Kunikazu - Advisory fee	134	-
<b>Total</b>	134	-

**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 six months / half-year ended 30 June 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	Office automation	LCD parts and accessories	Eliminations	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b><u>Revenue</u></b>					
External sales	42,681	9,317	13,767	-	65,765
Inter-segment sales	-	411	138	(549)	-
Total revenue	42,681	9,728	13,905	(549)	65,765
<b><u>Results</u></b>					
Segment result	4,347	(126)	522		4,743
Unallocated corporate expense					(1,399)
Operating profit					3,344
Interest income					766
Interest expenses					(84)
Profit before income tax					4,026
Income tax expense					(838)
Profit after income tax					3,188
<b><u>Assets</u></b>					
Segment assets	41,321	15,103	43,610	(640)	99,394
Unallocated assets					4,700
Consolidated total assets					104,094
<b><u>Liabilities</u></b>					
Segment liabilities	10,206	3,362	8,779	(640)	21,707
Bank and other borrowings and obligation under finance leases					11,041
Unallocated liabilities					2,158
Consolidated total liabilities					34,906
<b><u>Other information</u></b>					
Capital expenditure	37	23	268		328
Depreciation of property, plant and equipment	284	169	514		967

**Business segment for the six months / half-year ended 30 June 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	42,838	11,368	14,648	-	68,854
Inter-segment sales	-	548	1,315	(1,863)	-
<b>Total revenue</b>	<b>42,838</b>	<b>11,916</b>	<b>15,963</b>	<b>(1,863)</b>	<b>68,854</b>
<b>Results</b>					
Segment result	5,883	(371)	(88)		5,424
Provision gain on bargain purchase					1,494
Unallocated corporate expense					(1,400)
<b>Operating profit</b>					<b>5,518</b>
Interest income					461
Interest expenses					(103)
<b>Profit before income tax</b>					<b>5,876</b>
Income tax expense					(999)
<b>Profit after income tax</b>					<b>4,877</b>
<b>Assets</b>					
Segment assets	40,820	17,425	38,090	(718)	95,617
Unallocated assets					7,793
<b>Consolidated total assets</b>					<b>103,410</b>
<b>Liabilities</b>					
Segment liabilities	11,622	4,980	10,901	(718)	26,785
Bank and other borrowings and obligation under finance leases					9,172
Unallocated liabilities					2,634
<b>Consolidated total liabilities</b>					<b>38,591</b>
<b>Other information</b>					
Capital expenditure	61	113	368		542
Depreciation of property, plant and equipment	241	216	1,188		1,645

**Geographical Segment for the six months / half-year ended 30 June 2014 and 2013**

	<b>Turnover</b>		<b>Non-Current Assets</b>		<b>Capital Expenditure</b>	
	<b>Six months / half-year ended 30 June</b>		<b>Six months / half-year ended 30 June</b>		<b>Six months / half-year ended 30 June</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>	18,937	19,647	268	184	24	10
<b>PRC</b>	40,915	41,015	7,125	16,336	231	532
<b>Japan</b>	5,201	5,677	2,732	2,991	73	-
<b>Others</b>	712	2,515	-	-	-	-
<b>Total</b>	<b>65,765</b>	<b>68,854</b>	<b>10,125</b>	<b>19,511</b>	<b>328</b>	<b>542</b>

Non-current assets as at 30 June 2014 mainly comprise property, plant, equipment and deposits.

Non-current assets as at 30 June 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 74.4% of the total revenue for the six months end 30 June 2014 (six months ended 30 June 2013: 73.3%).

**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 28.8%, 62.2% and 7.9% of the total revenue respectively. Total revenue decreased by 4.5% to US\$65.8 million in the six months ended 30 June 2014 as compared to the corresponding period in the previous year.

As at 30 June 2014, non-current assets located in Hong Kong, the PRC and Japan accounted for 2.6%, 70.4% and 27.0% of the total non-current assets of the Group respectively. During the six months ended 30 June 2014, the Group invested a total capital expenditure of US\$0.3 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**

	Six months / half-year ended 30 June		
	2014 US\$'000	2013 US\$'000	% Increase/ (Decrease)
Sales reported for the first quarter	34,748	34,080	2.0%
Sales reported for the second quarter	31,017	34,774	(10.8%)
Operating profit after income tax for the first quarter	1,408	2,844	(50.5%)
Operating profit after income tax for the second quarter	1,780	2,033	(12.4%)

**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 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 second quarter ended 30 June 2014 to be false or misleading in any material aspect.

### BY ORDER OF THE BOARD

URANO Koichi  
Executive Director  
14 August 2014

DY MO Hua Cheung, Philip  
Executive Director