

**Unaudited First Quarter Financial Statements And Dividend Announcement for the Three Months / First Quarter Ended 31 March 2016**
**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 STATEMENT OF PROFIT OR LOSS  
For the period ended 31 March 2016**

	Note	Three months / first quarter ended 31 March		
		2016 US\$'000	2015 US\$'000	% Increase/ (Decrease)
Revenue		25,699	38,217	(32.8%)
Cost of sales		(20,128)	(29,960)	(32.8%)
Gross profit		5,571	8,257	(32.5%)
Other operating income		259	400	(35.3%)
Distribution expenses		(369)	(716)	(48.5%)
Administrative expenses		(5,036)	(5,045)	(0.2%)
Finance costs		(23)	(51)	(54.9%)
Share of (loss)/profit of an associate		(35)	19	(284.2%)
Profit before income tax	(1)	367	2,864	(87.2%)
Income tax expense		(327)	(1,287)	(74.6%)
Profit after income tax		40	1,577	(97.5%)
Profit attributable to:				
Owners of the Company		40	1,578	(97.5%)
Non-controlling interests		-	(1)	(100.0%)
		40	1,577	(97.5%)

**Note (1)**

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

	Three months / first quarter ended 31 March	
	2016 US\$'000	2015 US\$'000
Depreciation of property, plant and equipment	469	490
Interest income	(240)	(349)
Net foreign exchange loss/(gain) (Note a)	159	(276)
Increase in allowance for inventories	174	118
Change in fair value of derivative financial instruments	-	(62)
Net loss on disposal of property, plant and equipment	17	-
Interest on borrowings	23	51
Change in fair value of held for trading investments	83	8

Note a: The foreign currency exchange loss for the three months ended 31 March 2016 comprised mainly unrealised loss net of unrealised gain on translating monetary assets less monetary liabilities in foreign currencies, mainly United States dollars, Renminbi 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 2016**

	Three months / first quarter ended 31 March		
	2016 US\$'000	2015 US\$'000	% Increase/ (Decrease)
Profit after income tax	40	1,577	(97.5%)
Other comprehensive income:			
Available-for-sale investment:			
- Fair value gain/(loss) arising during the periods	1	(9)	(111.1%)
- Reversal of deferred tax liability on revaluation of available-for-sale investment	-	3	(100.0%)
Exchange difference on translation of foreign operations	769	(225)	(441.8%)
Other comprehensive income/(expense) for the periods, net of tax	770	(231)	(433.3%)
Total comprehensive income for periods, net of tax	810	1,346	(39.8%)
Total comprehensive income attributable to:			
Owners of the Company	810	1,347	(39.9%)
Non-controlling interests	-	(1)	(100.0%)
	810	1,346	(39.8%)

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.

**STATEMENTS OF FINANCIAL POSITION**  
As at 31 March 2016

	The Group		The Company	
	As at 31 March 2016 US\$'000	As at 31 December 2015 US\$'000	As at 31 March 2016 US\$'000	As at 31 December 2015 US\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	51,395	50,383	176	70
Trade receivables	15,516	14,906	-	-
Other receivables and prepayments	2,001	2,379	34	36
Inventories	5,811	7,289	-	-
Loans and receivables	1,216	1,216	-	-
Held for trading investments	216	262	-	-
Pledged bank deposit (Note b)	146	146	-	-
<b>Total current assets</b>	<b>76,301</b>	<b>76,581</b>	<b>210</b>	<b>106</b>
<b>Non-current assets</b>				
Available-for-sale investment	47	41	-	-
Held-to-maturity investment	980	980	-	-
Other assets	700	568	-	-
Amount due from a subsidiary	-	-	16,929	16,932
Property, plant and equipment	8,207	8,337	-	-
Investment in subsidiaries	-	-	11,334	11,334
Investment in an associate	2,136	2,161	-	-
<b>Total non-current assets</b>	<b>12,070</b>	<b>12,087</b>	<b>28,263</b>	<b>28,266</b>
<b>Total assets</b>	<b>88,371</b>	<b>88,668</b>	<b>28,473</b>	<b>28,372</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank borrowings	4,314	3,613	-	-
Trade payables	10,656	12,441	-	-
Other payables and accruals	3,810	4,336	206	94
Current portion of obligation under finance leases	116	115	-	-
Income tax payable	242	175	-	-
<b>Total current liabilities</b>	<b>19,138</b>	<b>20,680</b>	<b>206</b>	<b>94</b>
<b>Non-current liabilities</b>				
Bank borrowings	1,665	1,282	-	-
Obligation under finance leases	54	80	-	-
Retirement benefit obligations	454	411	-	-
Deferred tax liabilities	307	352	-	-
<b>Total non-current liabilities</b>	<b>2,480</b>	<b>2,125</b>	<b>-</b>	<b>-</b>
<b>Capital, reserves and non-controlling interests</b>				
Issued capital	10,087	10,087	10,087	10,087
Reserves	56,657	55,767	18,180	18,191
Equity attributable to owners of the Company	66,744	65,854	28,267	28,278
Non-controlling interests	9	9	-	-
<b>Total equity</b>	<b>66,753</b>	<b>65,863</b>	<b>28,267</b>	<b>28,278</b>
<b>Total liabilities and equity</b>	<b>88,371</b>	<b>88,668</b>	<b>28,473</b>	<b>28,372</b>

Note b: As at 31 March 2016, the Group's bank deposit of approximately US\$146,000 (31 December 2015: US\$146,000) was 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 2016		As at 31 December 2015	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
<b>Bank and other borrowings</b>	-	4,314	-	3,613
<b>Obligation under finance leases</b>	116	-	115	-
<b>Total</b>	116	4,314	115	3,613

**Amount repayable after one year**

	As at 31 March 2016		As at 31 December 2015	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
<b>Bank and other borrowings</b>	-	1,665	-	1,282
<b>Obligation under finance leases</b>	54	-	80	-
<b>Total</b>	54	1,665	80	1,282

**Details of collateral**

As at 31 March 2016, the Group's bank deposit of approximately US\$146,000 (31 December 2015: US\$146,000) 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\$145,000 (31 December 2015: US\$171,000) 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 2016</b>		
	<b>The Group</b>	
	<b>Three months / first quarter ended 31 March</b>	
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>OPERATING ACTIVITIES</b>		
<b>Profit before income tax</b>	367	2,864
Adjustments for		
Increase in allowance for inventories	174	118
Depreciation of property, plant and equipment	469	490
Interest income	(240)	(349)
Finance costs	23	51
Net loss on disposal of property, plant and equipment	17	-
Retirement benefit obligations	12	21
Change in fair value of derivative financial instruments	-	(62)
Share-based payment expense	80	84
Change in fair value of held for trading investments	83	8
<b>Operating cash flows before movements in working capital</b>	<b>985</b>	<b>3,225</b>
<b>Change in working capital:</b>		
Trade receivables, other receivables and prepayments	(232)	5,665
Inventories	1,304	2,502
Trade payables, other payables and accruals	(2,311)	(11,382)
<b>Cash (used in)/generated from operations</b>	<b>(254)</b>	<b>10</b>
<b>Net income tax paid</b>	<b>(290)</b>	<b>(1,623)</b>
<b>Interest paid</b>	<b>(23)</b>	<b>(51)</b>
<b>Share of loss/(profit) of an associate</b>	<b>35</b>	<b>(19)</b>
<b>Net cash used in operating activities</b>	<b>(532)</b>	<b>(1,683)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	8	-
(Increase)/Decrease in other assets	(103)	44
Additional investment in available-for-sale investment	(3)	(3)
Purchase of property, plant and equipment (Note c)	(191)	(213)
Increase in loans and receivables	-	(57)
Interest income received	240	349
Investment in an associate	-	(2,442)
Purchase of held for trading investments	(36)	-
<b>Net cash used in investing activities</b>	<b>(85)</b>	<b>(2,322)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings	3,114	72,410
Repayment of obligation under finance leases	(29)	(46)
Repayment of bank borrowings	(2,145)	(73,869)
<b>Net cash from/(used in) financing activities</b>	<b>940</b>	<b>(1,505)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>323</b>	<b>(5,510)</b>
<b>NET EFFECT OF CURRENCY TRANSLATION DIFFERENCES</b>	<b>689</b>	<b>(205)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>50,383</b>	<b>68,730</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>51,395</b>	<b>63,015</b>

Note c: In the first quarter ended 31 March 2016, the Group acquired property, plant and equipment with aggregate cost of US\$191,000 (1Q2015: US\$213,000) in cash and did not acquire any property, plant, and equipment by means of finance lease (1Q2015: Nil).

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	Employee share option reserve US\$'000	Merger reserve US\$'000	Statutory Reserve Fund US\$'000	Enterprise Expansion Fund US\$'000	Other Reserves US\$'000	Fair value adjustment reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance as at 1 January 2016	10,087	18,994	(202)	(2,061)	541	(7,020)	6,001	329	1,193	(4)	4,470	33,526	65,854	9	65,863
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	1	769	40	810	-	810
Share options granted	-	-	-	-	80	-	-	-	-	-	-	-	80	-	80
Balance as at 31 March 2016	10,087	18,994	(202)	(2,061)	621	(7,020)	6,001	329	1,193	(3)	5,239	33,566	66,744	9	66,753

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve US\$'000	Treasury shares US\$'000	Employee share option reserve US\$'000	Merger reserve US\$'000	Statutory Reserve Fund US\$'000	Enterprise Expansion Fund US\$'000	Other Reserves US\$'000	Fair value adjustment reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance as at 1 January 2015	10,087	18,994	(202)	(2,061)	209	(7,020)	6,772	329	1,190	23	11,324	30,522	70,167	10	70,177
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(6)	(225)	1,578	1,347	(1)	1,346
Share options granted	-	-	-	-	85	-	-	-	-	-	-	-	85	-	85
Balance as at 31 March 2015	10,087	18,994	(202)	(2,061)	294	(7,020)	6,772	329	1,190	17	11,099	32,100	71,599	9	71,608

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	Employee share option reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Balance as at 1 January 2016	10,087	18,994	(202)	(2,061)	541	919	28,278
Total comprehensive expense for the period	-	-	-	-	-	(91)	(91)
Share options granted	-	-	-	-	80	-	80
Balance as at 31 March 2016	10,087	18,994	(202)	(2,061)	621	828	28,267

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve US\$'000	Treasury shares US\$'000	Employee share option reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Balance as at 1 January 2015	10,087	18,994	(202)	(2,061)	209	454	27,481
Total comprehensive expense for the period	-	-	-	-	-	(173)	(173)
Share options granted	-	-	-	-	85	-	85
Balance as at 31 March 2015	10,087	18,994	(202)	(2,061)	294	281	27,393

**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 2015, 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.

During the first quarter ended 31 March 2016, the Company did not purchase any ordinary share under the share purchase mandate and held them as treasury shares. As at 31 March 2016, 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			
	2016		2015	
	Number of shares	US\$'000	Number of shares	US\$'000
Balance as at 1 January and 31 March	29,440,000	2,061	29,440,000	2,061
	<u>29,440,000</u>	<u>2,061</u>	<u>29,440,000</u>	<u>2,061</u>

#### Share Options

On 30 May 2014, the Chief Executive Officer of the Company proposed to grant options to eight directors and twelve senior executives (the "Participants") to subscribe for a total of 19,000,000 ordinary shares of US\$0.02 each in the capital of the Company, pursuant to CDW Employees Share Option Scheme 2013. This proposal was adopted and administrated by the 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 2016 to 29 May 2019 (both days inclusive).

The number of outstanding share options as at 31 March 2016 was 19,000,000 (31 December 2015: 19,000,000).

**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 31 March 2016	As at 31 December 2015
Issued shares	504,354,221	504,354,221
Less: Treasury shares	(29,440,000)	(29,440,000)
Total number of issued shares excluding treasury shares	<u>474,914,221</u>	<u>474,914,221</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 2015 except for the adoption of the revised International Financial Reporting Standards which came into effect this financial year from 1 January 2016. The adoption of these revised 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	
	2016	2015
Based on weighted average number of ordinary shares in issue (US cents)		
- Basic	0.01	0.33
- Fully diluted (Note d)	0.01	0.33
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (Note e)	474,914,221	474,914,221
Effect of dilutive share options	4,945,205	7,914,100
	<hr/>	<hr/>
Weighted average number of ordinary shares for the purpose of diluted earnings per ordinary share	<u>479,859,426</u>	<u>482,828,321</u>

Note d: 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 2016.

Note e: The weighted average number of ordinary shares was computed after adjusting for the effect of treasury shares held by the Company.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	31 March 2016	31 December 2015
Net asset value per ordinary share, excluding treasury shares (US cents)		
- The Group	14.10	13.87
- The Company	5.95	5.95

The calculation of the net asset value per ordinary share was based on total number of 474,914,221 (31 December 2015: 474,914,221) 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.**

#### **Statement of Profit or Loss**

In the first quarter of the financial year 2016 ("1Q16"), the Group registered a drop in revenue due to receiving fewer orders in the LCD Backlight Units segment. It is attributable to the Group's key customer who suffers from inadequate product appeal and cost competition and losing market share to other market players. As a result, the Group recorded a decrease of US\$12.5 million in revenue to US\$25.7 million as compared to the revenue of US\$38.2 million in 1Q15. The Group's gross profit decreased by US\$2.7 million to US\$5.6 million in 1Q16 from US\$8.3 million in 1Q15, while gross profit margin remained stable at 21.7 % as compared to 21.6% in 1Q15.

Other operating income registered a decrease of US\$0.1 million to US\$0.3 million from US\$0.4 million in 1Q15. This mainly comprised of interest income. In the area of expenses, distribution expenses was down by US\$0.3 million to US\$0.4 million in 1Q16 as compared to US\$0.7 million in previous corresponding period. For the current period under review, administrative expenses remained unchanged at US\$5.0 million as the previous corresponding period. Finance costs remained at a low level during the quarter under review as the Group maintained a low gearing policy in a low interest rate environment.

The Group's associated company did not receive sufficient orders to achieve a break-even level and incurred a loss in 1Q16, of which the Group's share of this loss amounted to US\$0.04 million for the current period under review.

Income tax expenses for the quarter were US\$0.3 million. It decreased by US\$1.0 million from US\$1.3 million in the previous corresponding period. The decrease was in line with the fall in revenue and profit.

In 1Q16, the Group booked a fall in both the profit before income tax and the profit after income tax by US\$2.5 million and US\$1.5 million to US\$0.4 million and US\$0.04 million respectively, as compared to US\$2.9 million and US\$1.6 million in the previous corresponding period.

#### **LCD Backlight Units**

In 1Q16, revenue from the LCD Backlight Units segment was US\$15.8 million, a US\$13.3 million decrease as compared with US\$29.1 million in the previous corresponding period. Revenue was badly affected by fewer orders from the Group's key customer as explained above. Operating profit decreased from US\$3.4 million in 1Q15 to US\$0.8 million in 1Q16 with a drop in the operating margin by 6.6% from 11.6% to 5.0%.

In terms of volume production, the Group sold 1.7 million backlight units for handsets (mainly smartphones) and 2.1 million backlight units for gamesets (including game handheld device and global positioning system devices for automobiles) during the period, as compared to 3.9 million and 4.8 million respectively in the previous corresponding period.

### Office Automation

The Office Automation segment continued to focus on products with reasonable margins. However, the segment suffered from a weak demand in Japan and the PRC and recorded a low level of sales at US\$4.3 million with a marginal operating profit of US\$0.04 million at an operating margin of 0.8% for the period under review. This was compared to the sales of US\$4.4 million with a marginal operating profit of US\$0.03 million at an operating margin of 0.7% in the previous corresponding period.

### LCD Parts and Accessories

After the consolidation of production centers to achieve economies of scale, sales for the LCD Parts and Accessories segment rose by US\$0.9 million from US\$4.6 million in 1Q15 to US\$5.5 million in 1Q16. The segment booked an operating profit of US\$0.1 million for the period under review, representing a decrease of US\$0.1 million from US\$0.2 million in the previous corresponding period. Operating margin decreased by 2.7% from 5.2% for 1Q15 to 2.5% for 1Q16.

### Statement of Financial Position

As at the financial period-end 31 March 2016, total assets and liabilities stood at US\$88.4 million and US\$21.6 million respectively, as compared to US\$88.7 million and US\$22.8 million as at 31 December 2015.

Current assets remained at US\$76.3 million as at 31 March 2016 as compared to US\$76.6 million as at 31 December 2015. Associated with decreased sales in the year, trade receivables and inventories remained at a low level. Trades receivable slightly increased by US\$0.6 million while inventories fell by US\$1.5 million over the quarter under review. There was no material change in the credit terms offered to customers in general. Other receivables and prepayment mainly represented utility deposits, prepaid expenses and value-added tax recoverable. Included in loan and receivables was the funding to a third party under a secured trade finance arrangement at an interest rate of 1.0% per month to generate additional interest income. Held for trading investments represented listed equity investment held for trading.

Total non-current assets stood at US\$12.1 million as at 31 March 2016 and 31 December 2015. Included in property, plant and equipment was the newly purchased equipment amounting to US\$0.2 million during the period under review, which was netted off against the depreciation charge of US\$0.5 million for the same period. There was no material change in available-for-sales and held-to-maturity investments and other assets.

Total current liabilities as at 31 March 2016 were driven down to US\$19.1 million, representing a decrease of US\$1.6 million over the quarter under review, from US\$20.7 million as at 31 December 2015.

As reflected by the falling operation, the balance in trade payables was further reduced by US\$1.7 million to US\$10.7 million for the quarter under review, as compared to US\$12.4 million as the end of the corresponding year. There was no material change in the credit terms offered by the suppliers to the Group. Bank borrowings increased by US\$0.7 million to US\$4.3 million as at 31 March 2016 from US\$3.6 million as at 31 December 2015. Other payables and accruals, comprising accruals for expenses, wages payables and value added tax payables, decreased by US\$0.5 million to US\$3.8 million over the quarter under review, as compared to US\$4.3 million as at the end of the previous year. The decrease was mainly attributable to the lower wages payable, which were in line with reduced production volume due to a low level of sales.

The income tax on profit for the year was provided and adjusted under tax rules of different jurisdictions. Income tax charge net of payment for 1Q16 increased income tax payable by US\$0.1 million to US\$0.2 million.

The non-current liabilities as at 31 March 2016 increased by US\$0.4 million from US\$2.1 million to US\$2.5 million as at 31 March 2016. The reason for additional long-term bank borrowings was mainly to increase cash reserve at low interest rate.

### Statement of Cash Flows

During the quarter under review, the Group recorded net cash used in operating activities amounting to US\$0.5 million after taking into account of the additional amount of US\$1.2 million to fund the working capital need and the payment of income tax of US\$0.3 million over the quarter, as compared to US\$1.6 million for the previous corresponding period. Cash and cash equivalents at 31 March 2016 increased by 2.0% in 1Q16 to US\$51.4 million from US\$50.4 million as at 31 December 2015.

The Group registered net cash used in investing activities amounting to US\$0.1 million for 1Q16 as compared US\$2.3 million for 1Q15, after taking into account of the payment of US\$0.1 million for other assets and purchases of property, plant and equipment worth US\$0.2 million and the receipt of interest income amounting to US\$0.2 million.

In 1Q16, the Group recorded net cash from financing activities amounting to US\$1.0 million as compared to net cash used in financing activities amounting to US\$1.5 million in 1Q15. In addition, the Group received the proceeds from bank borrowings amounting to US\$3.1 million against the repayment of bank borrowings amounting to US\$2.1 million in 1Q16, which resulted in an increase of US\$1.0 million in bank borrowings.

**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 and Managing Risks**

The Group operates in the highly competitive consumer electronics industry and competes with a handful of mega-sized players. Business prospects for manufacturing companies operating in this challenging business environment remain skeptical, attributable to the current global economic uncertainties, China's ongoing slowdown, and low oil prices, all of which are weighing down the already weak global sentiment. Furthermore, rapid technology changes and short product life cycles also add to the industry's volatility.

In addition to a very challenging macro-environment, the Group's key customer, who focuses on the high-end smartphone market, is facing very difficult times from the slowing global demand for smartphones. The key customer's situation has led to a drop in orders and cost down pressure for the Group over the past year. This situation does not look to improve any time soon and may even deteriorate, depending on how well the key customer and other market players perceive the Group's new generation light guide co-developed with a Taiwanese company.

Besides the slowdown in customer orders, the Group is also facing keen price competition from low cost Chinese companies in a market with lower demand. The Group has tried to mitigate this by restructuring its operations and deploying more efficient production equipment and processes in order to enhance productivity. However, the Group's operation in PRC also means dealing with a relatively strong Renminbi and higher labour costs due to supply constraints. The stronger Japanese Yen has also had a limited bearing on the Group even though it has operations, customers and suppliers in Japan, as its transactions are largely denominated in US dollars.

**Business Segment Outlook**

The LCD Backlight Units ("BLU") segment remains at low level as the Group faced a delay in production of LCD BLU for smartphones due to the delayed launch of a new model by its customer's end-customer. Nevertheless, it is currently bolstered by a relatively stable global positioning system device for automobile business.

Besides this, the Group is awaiting its key customer to get back on any new orders for its new generation light guide, of which samples had earlier been passed to the key customer for product-testing and were positively received by the key customer and its potential customers. Subject to market conditions and a pick-up in demand, the Group expects to commence production by the second half of FY2016.

The LCD Parts segment and Office Automation segment continues to stay weak and are expected to improve in tandem with market conditions.

**Planning Ahead**

Apart from the Group seeking opportunities to enhance the product portfolio for its LCD Parts and Office Automation businesses, the Group's co-developed new generation of light guide offers flexibility and ultra-thin thickness suitable for small to medium sized LCD panels in smartphones, tablets, and notebook computers etc. This light guide requires different materials to produce and pioneering production techniques, enables the Group to strategically approach not only its key customer but also other LCD module manufacturers for more orders.

In order to counter-balance the volatility of its current business, the Group will continue to seek strategic investments that aim to achieve a higher return on equity in the long term. These strategic investments, which will be carefully assessed in terms of risk, will cover three broad areas. Firstly, the Group will continue to explore investments that will add value to the core business. Secondly, the Group will also look at strategic investments in new businesses so as to ultimately diversify and develop a second growth engine for the Group. Lastly, the Group may also engage in financial investments, which will be of a smaller quantum but can deliver returns on a short term basis.

The Group maintains a cautious outlook for the financial year ending 31 December 2016 and envisages that it will be a very challenging year. Should the global economic environment and market situation worsen further, the Group's profitability will be adversely affected.

**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. Confirmation by the issuer in compliance with Rule 720(1)**

The Company has procured the undertakings in the format set out in Appendix 7.7 from all the Directors and Executive Officers.

**14. 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 period 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	66	-
<b>Total</b>	66	-

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

15. **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 2016**

The Group is organized into four 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
- iv) Others – Performing other business including general trading and food and beverage business

	<b>LCD backlight units</b>	<b>Office automation</b>	<b>LCD parts and accessories</b>	<b>Others</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>US\$'000</b>
<b><u>Revenue</u></b>						
External sales	15,817	4,276	5,535	71	-	25,699
Inter-segment sales	-	90	20	-	(110)	-
Total revenue	15,817	4,366	5,555	71	(110)	25,699
<b><u>Results</u></b>						
Segment result	785	35	138	12		970
Unallocated corporate expense						(785)
Operating profit						185
Interest income						240
Finance costs						(23)
Share of loss of an associate						(35)
Profit before income tax						367
Income tax expense						(327)
Profit after income tax						40
<b><u>Assets</u></b>						
Segment assets	40,840	12,489	29,461	372	(145)	83,017
Unallocated assets						5,354
Consolidated total assets						88,371
<b><u>Liabilities</u></b>						
Segment liabilities	7,707	2,418	4,120	88	(145)	14,188
Bank borrowings and obligation under finance leases						6,149
Unallocated liabilities						1,281
Consolidated total liabilities						21,618
<b><u>Other information</u></b>						
Capital expenditure	49	17	125	-		191
Depreciation of property, plant and equipment	218	104	147	-		469

**Business segment for the three months / first quarter ended 31 March 2015**

	LCD backlight units	Office automation	LCD parts and accessories	Others	Eliminations	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Revenue</b>						
External sales	29,147	4,433	4,584	53	-	38,217
Inter-segment sales	-	773	12	-	(785)	-
Total revenue	29,147	5,206	4,596	53	(785)	38,217
<b>Results</b>						
Segment result	3,389	32	239	(49)		3,611
Unallocated corporate expense						(1,064)
Operating profit						2,547
Interest income						349
Finance costs						(51)
Share of profit of an associate						19
Profit before income tax						2,864
Income tax expense						(1,287)
Profit after income tax						1,577
<b>Assets</b>						
Segment assets	44,551	14,793	42,794	258	(465)	101,931
Unallocated assets						5,149
Consolidated total assets						107,080
<b>Liabilities</b>						
Segment liabilities	10,159	2,626	5,939	27	(465)	18,286
Bank borrowings and obligation under finance leases						13,805
Unallocated liabilities						3,381
Consolidated total liabilities						35,472
<b>Other information</b>						
Capital expenditure	125	41	38	9		213
Depreciation of property, plant and equipment	172	82	236	-		490

**Geographical Segment for the three months / first quarter ended 31 March 2016 and 2015**

	Turnover		Non-Current Assets		Capital Expenditure	
	Three months / first quarter ended 31 March		Three months / first quarter ended 31 March		Three months / first quarter ended 31 March	
	2016 US\$'000	2015 US\$'000	2016 US\$'000	2015 US\$'000	2016 US\$'000	2015 US\$'000
<b>Hong Kong</b>	6,981	6,409	344	230	3	35
<b>PRC</b>	16,288	29,664	5,996	6,536	172	84
<b>Japan</b>	2,382	1,906	2,360	2,217	16	94
<b>Others</b>	48	238	-	-	-	-
<b>Total</b>	25,699	38,217	8,700	8,983	191	213

Non-current assets are mainly comprised property, plant, equipment and deposits.

### Information about major customer

Revenue from one key customer which has transactions with all segments accounted for 74.2% of the total revenue for 1Q2016 (1Q2015: 66.5%).

**16. 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 27.2%, 63.4% and 9.3% of the total revenue respectively. Total revenue decreased by 32.8% to US\$25.7 million for the current quarter as compared to the corresponding period in the previous year.

As at 31 March 2016, non-current assets located in Hong Kong, the PRC and Japan accounted for 4.0%, 68.9% and 27.1% 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 purposes.

**17. A breakdown of sales**

	Three months / first quarter ended 31 March		
	2016 US\$'000	2015 US\$'000	% Increase/ (Decrease)
Sales reported for the first quarter	25,699	38,217	(32.8%)
Operating profit after income tax for the first quarter	40	1,577	(97.5%)

**18. 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 2015	Year ended 31 December 2014
Ordinary dividend		
- Interim	2,375	2,374
- Final	3,324	3,324
Total	5,699	5,698

**19. 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 2016 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

URANO Koichi  
Executive Director  
14 May 2016

DY MO Hua Cheung, Philip  
Executive Director