

**Unaudited First Half Financial Statements And Dividend Announcement for the Six Months / Second Quarter Ended 30 June 2017**
**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 periods ended 30 June 2017**

	Note	Three months / second quarter ended 30 June			Six months / half-year ended 30 June		
		2017 US\$'000	2016 US\$'000	% Increase/ (Decrease)	2017 US\$'000	2016 US\$'000	% Increase/ (Decrease)
Revenue		28,260	23,335	21.1%	48,675	49,034	(0.7%)
Cost of sales		(21,275)	(17,567)	21.1%	(36,487)	(37,695)	(3.2%)
Gross profit		6,985	5,768	21.1%	12,188	11,339	7.5%
Other operating income		277	207	33.8%	554	466	18.9%
Distribution expenses		(549)	(351)	56.4%	(929)	(720)	29.0%
Administrative expenses		(4,976)	(5,188)	(4.1%)	(9,826)	(10,224)	(3.9%)
Finance costs		(23)	(19)	21.1%	(43)	(42)	2.4%
Share of gain/(loss) of an associate		10	(64)	(115.6%)	(15)	(99)	(84.8%)
Profit before income tax	(1)	1,724	353	388.4%	1,929	720	167.9%
Income tax expense		(953)	(318)	199.7%	(1,350)	(645)	109.3%
Profit after income tax		771	35	2,102.9%	579	75	672.0%
Profit attributable to:							
Owners of the Company		771	35	2,102.9%	579	75	672.0%
Non-controlling interests		-	-	-	-	-	-
		771	35	2,102.9%	579	75	672.0%

**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	
	2017 US\$'000	2016 US\$'000	2017 US\$'000	2016 US\$'000
Depreciation of property, plant and equipment	334	455	709	924
Interest income	(212)	(155)	(430)	(395)
Net foreign exchange loss (Note a)	16	161	67	320
Increase/(Decrease) in allowance for inventories	62	(485)	150	(311)
Change in fair value of derivative financial instruments	15	32	39	32
Net loss/(gain) on disposal of property, plant and equipment	3	(3)	7	14
Interest on borrowings	23	19	43	42
Change in fair value of held for trading investments	-	-	-	83

Note a: The foreign currency exchange loss for the six months ended 30 June 2017 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 periods ended 30 June 2017**

	Three months / second quarter ended 30 June			Six months / half-year ended 30 June		
	2017 US\$'000	2016 US\$'000	% Increase/ (Decrease)	2017 US\$'000	2016 US\$'000	% Increase/ (Decrease)
Profit after income tax	771	35	2,102.9%	579	75	672.0%
Other comprehensive income:						
Available-for-sale investments:						
- Fair value (loss)/gain arising during the periods	(23)	(7)	228.6%	62	(6)	(1,133.3%)
- Reversal of deferred tax liabilities/(deferred tax liabilities arising) on revaluation of available-for-sale investment	8	2	300.0%	(22)	2	(1,200.0%)
Exchange difference on translation of foreign operations	357	(11)	(3,345.5%)	809	758	6.7%
Other comprehensive income/(expense) for the periods, net of tax	342	(16)	(2,237.5%)	849	754	12.6%
Total comprehensive income for the periods, net of tax	1,113	19	5,757.9%	1,428	829	72.3%
Total comprehensive income attributable to:						
Owners of the Company	1,113	19	5,757.9%	1,428	829	72.3%
Non-controlling interests	-	-	-	-	-	-
	1,113	19	5,757.9%	1,428	829	72.3%

- 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 30 June 2017

	The Group		The Company	
	As at 30 June 2017 US\$'000	As at 31 December 2016 US\$'000	As at 30 June 2017 US\$'000	As at 31 December 2016 US\$'000
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and bank balances	40,671	45,026	136	272
Trade receivables	26,936	17,400	-	-
Other receivables and prepayments	3,001	2,333	89	97
Inventories	6,999	6,231	-	-
Loans and receivables	1,005	1,216	-	-
Held for trading investments	214	216	-	-
Pledged bank deposit (Note b)	146	146	-	-
Derivative financial instruments	-	38	-	-
<b>Total current assets</b>	<b>78,972</b>	<b>72,606</b>	<b>225</b>	<b>369</b>
<b>Non-current assets</b>				
Available-for-sale investments	994	926	-	-
Other assets	391	523	-	-
Prepayment for the acquisition of intangible asset	964	970	-	-
Amount due from a subsidiary	-	-	16,344	16,653
Property, plant and equipment	6,665	7,088	-	-
Investment in subsidiaries	-	-	11,334	11,334
Investment in an associate	1,432	1,413	-	-
<b>Total non-current assets</b>	<b>10,446</b>	<b>10,920</b>	<b>27,678</b>	<b>27,987</b>
<b>Total assets</b>	<b>89,418</b>	<b>83,526</b>	<b>27,903</b>	<b>28,356</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Bank borrowings	6,936	5,298	-	-
Trade payables	14,455	11,494	-	-
Other payables and accruals	4,040	4,054	106	282
Current portion of obligation under finance leases	49	65	-	-
Income tax payable	725	1,047	-	-
<b>Total current liabilities</b>	<b>26,205</b>	<b>21,958</b>	<b>106</b>	<b>282</b>
<b>Non-current liabilities</b>				
Bank borrowings	2,447	716	-	-
Obligation under finance leases	74	16	-	-
Retirement benefit obligations	218	347	-	-
Deferred tax liabilities	307	177	-	-
<b>Total non-current liabilities</b>	<b>3,046</b>	<b>1,256</b>	<b>-</b>	<b>-</b>
<b>Capital, reserves and non-controlling interests</b>				
Issued capital	10,087	10,087	10,087	10,087
Reserves	50,071	50,216	17,710	17,987
Equity attributable to owners of the Company	60,158	60,303	27,797	28,074
Non-controlling interests	9	9	-	-
<b>Total equity</b>	<b>60,167</b>	<b>60,312</b>	<b>27,797</b>	<b>28,074</b>
<b>Total liabilities and equity</b>	<b>89,418</b>	<b>83,526</b>	<b>27,903</b>	<b>28,356</b>

Note b: As at 30 June 2017, the Group's bank deposit of approximately US\$146,000 (31 December 2016: 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 30 June 2017		As at 31 December 2016	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Bank and other borrowings	-	6,936	-	5,298
Obligation under finance leases	49	-	65	-
<b>Total</b>	<b>49</b>	<b>6,936</b>	<b>65</b>	<b>5,298</b>

**Amount repayable after one year**

	As at 30 June 2017		As at 31 December 2016	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Bank and other borrowings	-	2,447	-	716
Obligation under finance leases	74	-	16	-
<b>Total</b>	<b>74</b>	<b>2,447</b>	<b>16</b>	<b>716</b>

**Details of collateral**

As at 30 June 2017, the Group's bank deposit of approximately US\$146,000 (31 December 2016: 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\$116,000 (31 December 2016: US\$56,000) 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 periods ended 30 June 2017</b>				
	<b>The Group</b>			
	<b>Three months / second quarter ended 30 June</b>		<b>Six months / half-year ended 30 June</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</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>	1,724	353	1,929	720
Adjustments for				
Increase/(Decrease) in allowance for inventories	62	(485)	150	(311)
Depreciation of property, plant and equipment	334	455	709	924
Interest income	(212)	(155)	(430)	(395)
Finance costs	23	19	43	42
Net loss/(gain) on disposal of property, plant and equipment	3	(3)	7	14
Retirement benefit obligations	15	15	55	27
Change in fair value of derivative financial instruments	15	32	39	32
Share-based payment expense	-	21	-	101
Change in fair value of held for trading investments	-	-	-	83
Loss on redemption of held-to-maturity investment	-	214	-	214
Share of (gain)/loss of an associate	(10)	64	15	99
<b>Operating cash flows before movements in working capital</b>	<b>1,954</b>	<b>530</b>	<b>2,517</b>	<b>1,550</b>
<b>Change in working capital:</b>				
Trade receivables, other receivables and prepayments	(11,670)	2,778	(10,204)	2,546
Inventories	(757)	(1,091)	(918)	213
Trade payables, other payables and accruals	5,227	(6)	2,948	(2,317)
<b>Cash (used in)/generated from operations</b>	<b>(5,246)</b>	<b>2,211</b>	<b>(5,657)</b>	<b>1,992</b>
<b>Net income tax paid</b>	<b>(514)</b>	<b>(495)</b>	<b>(1,584)</b>	<b>(785)</b>
<b>Interest paid</b>	<b>(23)</b>	<b>(19)</b>	<b>(43)</b>	<b>(42)</b>
<b>Retirement benefit obligations paid</b>	<b>-</b>	<b>(137)</b>	<b>(194)</b>	<b>(137)</b>
<b>Net cash (used in)/from operating activities</b>	<b>(5,783)</b>	<b>1,560</b>	<b>(7,478)</b>	<b>1,028</b>
<b>INVESTING ACTIVITIES</b>				
Proceeds from disposal of property, plant and equipment	90	5	197	13
Decrease/(Increase) in other assets	6	72	147	(31)
Additional investment in available-for-sale investment	(2)	(2)	(5)	(5)
Purchase of property, plant and equipment (Note c)	(195)	(43)	(209)	(234)
Decrease in loans and receivables	211	-	211	-
Interest income received	212	155	430	395
Proceeds from redemption of held-to-maturity investment	-	766	-	766
Purchase of held for trading investments	-	-	-	(36)
<b>Net cash from investing activities</b>	<b>322</b>	<b>953</b>	<b>771</b>	<b>868</b>
<b>FINANCING ACTIVITIES</b>				
Payment for the share buyback	(113)	-	(424)	-
Proceeds from bank borrowings	20,229	1,280	36,517	4,394
Repayment of obligation under finance leases	(37)	(29)	(66)	(58)
Repayment of bank borrowings	(15,973)	(1,301)	(33,210)	(3,446)
Dividend paid	(1,149)	(3,324)	(1,149)	(3,324)
<b>Net cash from/(used in) financing activities</b>	<b>2,957</b>	<b>(3,374)</b>	<b>1,668</b>	<b>(2,434)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,504)</b>	<b>(861)</b>	<b>(5,039)</b>	<b>(538)</b>
<b>NET EFFECT OF CURRENCY TRANSLATION DIFFERENCES</b>	<b>282</b>	<b>160</b>	<b>684</b>	<b>849</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>42,893</b>	<b>51,395</b>	<b>45,026</b>	<b>50,383</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>40,671</b>	<b>50,694</b>	<b>40,671</b>	<b>50,694</b>

Note c: During the six months ended 30 June 2017, the Group acquired property, plant and equipment with aggregate cost of US\$316,000 of which 107,000 was acquired by means of finance lease (Six months ended 30 June 2016: the Group acquired property, plant and equipment with aggregate cost of US\$234,000 in cash and did not acquire any property, plant and equipment by means of finance lease.) Cash payment of US\$209,000 (Six months ended 30 June 2016: Nil) was made to purchase property, plant and equipment.

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 2017	10,087	18,994	(193)	(2,980)	608	(7,020)	6,015	330	1,196	37	3,083	30,146	60,303	9	60,312
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	55	452	(192)	315	-	315
Share purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(311)	-	-	-	-	-	-	-	-	(311)	-	(311)
Balance as at 31 March 2017	10,087	18,994	(193)	(3,291)	608	(7,020)	6,015	330	1,196	92	3,535	29,954	60,307	9	60,316
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(15)	357	771	1,113	-	1,113
Share purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(113)	-	-	-	-	-	-	-	-	(113)	-	(113)
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(1,149)	(1,149)	-	(1,149)
Balance as at 30 June 2017	10,087	18,994	(193)	(3,404)	608	(7,020)	6,015	330	1,196	77	3,892	29,576	60,158	9	60,167

	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 expense for the period	-	-	-	-	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
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(5)	(11)	35	19	-	19
Transfer	-	-	-	-	-	-	12	-	-	-	-	(12)	-	-	-
Share options expense for the period	-	-	-	-	21	-	-	-	-	-	-	-	21	-	21
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(3,324)	(3,324)	-	(3,324)
Balance as at 30 June 2016	10,087	18,994	(202)	(2,061)	642	(7,020)	6,013	329	1,193	(8)	5,228	30,265	63,460	9	63,469

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

	<b>Share Capital</b>	<b>Share premium of the Company</b>	<b>Share capital reserve</b>	<b>Treasury shares</b>	<b>Employee share option reserve</b>	<b>Retained earnings</b>	<b>Total</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>US\$'000</b>
Balance as at 1 January 2017	10,087	18,994	(193)	(2,980)	608	1,558	28,074
Total comprehensive expense for the period	-	-	-	-	-	(111)	(111)
Share purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(311)	-	-	(311)
Balance as at 31 March 2017	10,087	18,994	(193)	(3,291)	608	1,447	27,652
Total comprehensive income for the period	-	-	-	-	-	1,407	1,407
Share purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(113)	-	-	(113)
Dividend paid	-	-	-	-	-	(1,149)	(1,149)
Balance as at 30 June 2017	10,087	18,994	(193)	(3,404)	608	1,705	27,797

	<b>Share Capital</b>	<b>Share premium of the Company</b>	<b>Share capital reserve</b>	<b>Treasury shares</b>	<b>Employee share option reserve</b>	<b>Retained earnings</b>	<b>Total</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>US\$'000</b>
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 expense for the period	-	-	-	-	80	-	80
Balance as at 31 March 2016	10,087	18,994	(202)	(2,061)	621	828	28,267
Total comprehensive income for the period	-	-	-	-	-	3,876	3,876
Share options expense for the period	-	-	-	-	21	-	21
Dividend paid	-	-	-	-	-	(3,324)	(3,324)
Balance as at 30 June 2016	10,087	18,994	(202)	(2,061)	642	1,380	28,840

**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, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2016, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 232,230,008 ordinary shares (excluding treasury shares), and 19,947,102 ordinary shares held as treasury shares.

During the first quarter ended 31 March 2017, the Company purchased 1,800,000 ordinary shares under the Share Purchase Mandate and held them in treasury shares. As at 31 March 2017, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 230,430,008 ordinary shares (excluding treasury shares), and 21,747,102 treasury shares.

During the second quarter ended 30 June 2017, the Company purchased 638,000 ordinary shares under the Share Purchase Mandate and held them in treasury shares. As at 30 June 2017, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 229,792,008 ordinary shares (excluding treasury shares), and 22,385,102 treasury shares.

### Treasury shares

	The Company			
	2017		2016	
	Number of shares	US\$'000	Number of shares	US\$'000
Balance as at 1 January	19,947,102	2,980	29,440,000	2,061
Ordinary Shares purchased during the first quarter (note d)	1,800,000	311	-	-
Ordinary Shares purchased during the second quarter	638,000	113	-	-
Balance as at 30 June	<u>22,385,102</u>	<u>3,404</u>	<u>29,440,000</u>	<u>2,061</u>

Note d: Number of Ordinary Shares purchased during the first quarter of FY2017 should be 1,800,000 shares instead of 2,438,000 shares, which included 638,000 ordinary shares purchased in April 2017, as reported in the results announcement for the first quarter of FY2017

### 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 was exercisable at S\$0.108 per share with an exercise period commencing from 30 May 2016 to 29 May 2019 (both days inclusive).

On 26 August 2016, the Company consolidated every two (2) existing ordinary shares of par value of US\$0.02 each in the authorised and issued capital of the Company into one (1) ordinary share of par value of US\$0.04 each in the authorised and issued capital of the Company.

During the first quarter ended 31 March 2017 and second quarter ended 30 June 2017, no share option was exercised. The number of outstanding share options as at 31 March 2017 and 30 June 2017 was 8,500,000 (31 December 2016: 8,500,000) with exercise price at S\$0.216.

### Subsidiary Holdings

The Group did not have any subsidiary holdings for the current financial period reported on and its corresponding period of the immediately preceding financial year.



**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 2017	As at 31 December 2016
Issued shares	252,177,110	252,177,110
Less: Treasury shares	(22,385,102)	(19,947,102)
Total number of issued shares excluding treasury shares	<u>229,792,008</u>	<u>232,230,008</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 first quarter ended 31 March 2017 and the second quarter ended 30 June 2017, there were no sales, transfers, disposal, and/or use of treasury share except for the purchase of 2,438,000 ordinary shares under the Share Purchase Mandate and held as treasury shares. As at 30 June 2017, there were 22,385,102 ordinary shares held as treasury shares.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

The Group did not have any subsidiary holdings for 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 2016 except for the adoption of the revised International Financial Reporting Standards which came into effect this financial year from 1 January 2017. 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 / second quarter ended 30 June		Six months / half-year ended 30 June	
	2017	2016	2017	2016
Based on weighted average number of ordinary shares in issue (US cents)		(Restated) (Note g)		(Restated) (Note g)
- Basic	0.34	0.01	0.25	0.03
- Fully diluted (Note e)	0.33	0.01	0.25	0.03
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (Note f)	229,918,623	237,457,111	230,385,058	237,457,111
Effect of dilutive share options	1,101,228	2,558,615	1,192,495	2,520,396
Weighted average number of ordinary shares for the purpose of diluted earnings per ordinary share	<u>231,019,851</u>	<u>240,015,726</u>	<u>231,577,553</u>	<u>239,977,507</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 2017.

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

Note g: On 26 August 2016, Share Consolidation (refer to 1(d)(ii) for details) of two (2) ordinary shares of par value of US\$0.02 each for one (1) ordinary share of par value of US\$0.04 each was completed thereby reducing the number of share in issue. For a meaningful comparison, the comparative earnings per share were restated as though that Share Consolidation had taken place at the beginning of the period for which earnings per share is presented. Earnings per share and number of share of the Group without Share Consolidation were as follows:

	Three months / Second quarter ended 30 June 2016	Six months / half-year ended 30 June 2016
Based on weighted average number of ordinary shares in issue (US cents)		
- Basic	0.01	0.02
- Fully diluted (Note e)	0.01	0.02
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (Note f)	474,914,221	474,914,221
Effect of dilutive share options	5,117,230	5,040,793
Weighted average number of ordinary shares for the purpose of diluted earnings per ordinary share	<u>480,031,451</u>	<u>479,955,014</u>

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 2017	31 December 2016
Net asset value per ordinary share, excluding treasury shares (US cents)		
- The Group	26.20	25.97
- The Company	12.10	12.09

The calculation of the net asset value per ordinary share was based on total number of 229,792,008 (31 December 2016: 232,230,008) 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 AND LOSS**

In the first half of the financial year 2017 ("1H17"), the Group recorded a moderate decrease in revenue by US\$0.3 million to US\$48.7 million as compared to the revenue of US\$49.0 million in 1H16. The drop was mainly due to fewer orders in the LCD Backlight Units segment in the first quarter of the year under review. The Group's key customer allocated more orders in the second quarter as a result of a recovery in its liquid display panel business. The Group's gross profit for 1H17 increased by US\$0.9 million to US\$12.2 million from US\$11.3 million in 1H16. With more sale orders at a higher margin, the Group achieved a gross profit margin of 25.0% in 1H17, as compared to 23.1% in 1H16.

Other operating income registered an amount of US\$0.6 million in 1H17 as compared to US\$0.5 million in 1H16. This mainly comprised of interest income. In the area of expenses, distribution expenses remained stable at US\$0.9 million in 1H17 (1H16: US\$0.7 million). Administrative expenses moderately decreased by US\$0.4 million and recorded at US\$9.8 million in 1H17, as compared to US\$10.2 million in 1H16. Finance costs remained at a lower level during the quarter under review, as the Group continues to strictly uphold a low gearing policy despite the current low interest environment.

The Group's associated company incurred operating loss in 1H17 of which the Group has to share 25% of the loss, amounting to US\$0.02 million (1H16: US\$0.1 million).

Income tax expenses of 1H17 were US\$1.4 million (1H16: US\$0.6 million). The high effective tax rate was mainly due to the income tax of profit-making subsidiaries not being offset by the tax credit of loss-making subsidiaries.

In 1H17, the Group recorded an increase in profit before income tax by US\$1.2 million to US\$1.9 million (1H16: US\$0.7 million) and registered a profit after income tax amounting to US\$0.6 million (1H16: US\$0.1 million).

#### **LCD Backlight Units**

In 1H17, revenue from the LCD Backlight Units segment was US\$28.2 million, a US\$0.9 million decrease as compared to US\$29.1 million in the previous corresponding period. Revenue was affected by fewer orders from the Group's key customer in the first quarter of the year under review. In the second quarter, the Group's key customer allocated orders related to a new model of handheld gameset device, in addition to the stable sales orders for LCD backlight units for in-vehicle display. Operating profit increased from US\$2.1 million in 1H16 to US\$3.2 million in 1H17. The operating margin increased by 3.8% from 7.4% for 1H16 to 11.2% for 1H17.

In term of volume production, the total number of units sold for the segment amounted to 11.0 million units (1H16: 7.3 million units). Approximately, 1.2 million units were sold for handsets (1H16: 2.1 million units), representing a 42.9% decrease, and another 9.8 million units were sold for gamesets and in-vehicle displays (1H16: 5.2 million units), representing an 88.5% increase.

### **Office Automation**

The revenue from this segment rose by 9.6% to US\$9.1 million in 1H17 as compared to US\$8.3 million in 1H16. The segment recorded a profit of US\$0.4 million in 1H17 as compared to an operating loss of US\$0.1 million in 1H16. The rise in revenue is mainly attributable to more sales orders for new models, which were normally associated with a higher margin. However, it also experienced price erosion from competition as well as pressure of rising costs, particularly from having operations in the People's Republic of China.

### **LCD Parts and Accessories**

The sales for the LCD Parts and Accessories segment dropped by US\$0.9 million from US\$11.4 million in 1H16 to US\$10.5 million in 1H17. The segment has already suffered from low utilisation. Such reduction in revenue worsened the segment's profitability. In addition, this segment downsized its operation which led to a one-off compensation. It registered a marginal operating profit US\$0.1 million for the period under review, as compared to US\$0.3 million in the previous corresponding period. The operating margin decreased by 1.9% from 2.5% for 1H16 to 0.6% for 1H17.

### **STATEMENT OF FINANCIAL POSITION**

As at 30 June 2017, the Group's total assets and liabilities stood at US\$89.4 million and US\$29.3 million respectively, as compared to US\$83.5 million and US\$23.2 million as at 31 December 2016.

Total current assets increased by US\$6.4 million to US\$79.0 million as at 30 June 2017 as compared to US\$72.6 million as at 31 December 2016. Cash and bank balances decreased by US\$4.4 million due to a longer credit term from 60 days on average to 90 days on average as requested by the Group's key customer. In addition to the recovery of sales in the second quarter of the year under review, trade receivables recorded a jump by US\$9.5 million from US\$17.4 million as at 31 December 2016 to US\$26.9 million as at 30 June 2017 as a result.

Other receivables and prepayments mainly represented utility deposits, prepaid expenses and value-added tax recoverable. It also included loan and receivables funding to a third party under a secured trade finance arrangement at an interest rate of 1% per month to generate additional interest income. Meanwhile, the held for trading investments represented investment in shares listed in Hong Kong.

The non-current assets of the Group stood at US\$10.4 million for 2Q17. Also included in property, plant and equipment was newly purchased equipment amounting to US\$0.3 million, which was netted off against a depreciation charge of US\$0.7 million. The available-for-sale investments included the equity investment in a Korean company, which offered the Group the manufacturing and distribution rights for its products, and listed shares in Japan. Prepayment for the acquisition of the intangible asset represented an advance payment for the application of research results related to biotech products and their related patents.

Total liabilities as at 30 June 2017 was up to US\$29.3 million, representing an increase of US\$6.1 million over 1H17, (31 December 2016: US\$23.2 million). During 1H17, the Group redrew bank borrowings amounting to US\$36.5 million while it settled bank borrowings amounting to US\$33.2 million with a net inflow of finance amounting to US\$3.3 million. The total amount of bank borrowings increased by US\$3.4 million to US\$9.4 million as at 30 June 2017.

The trade payables were increased by US\$3.0 million over 1H17 to US\$14.5 million at 30 June 2017 (31 December 2016: US\$11.5 million). It was consistent with the recovery of sales as explained above. There was no material change in the credit terms offered by the Group's suppliers.

The income tax on profit for 1H17 was provided for and adjusted under tax rules for different jurisdiction. The income tax charge net of payment for the year under review had reduced the income tax payable by US\$0.3 million to US\$0.7 million (31 December 2016: US\$1.0 million).

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

### **STATEMENT OF CASH FLOWS**

The Group has net cash used in operating activities amounting to US\$7.5 million for 1H17 as compared to the net cash of US\$0.1 million generated from operating activities in the corresponding period in the previous year. The increase in net cash used in operating activities was mainly due to the increase in working capital for financing a longer credit term to customers and the recovery of sales in the second quarter of the year under review.

For investing activities, there was a net cash inflow of US\$0.8 million (1H16: US\$0.9 million) from investing activities over the period under review, mainly attributable to the receipt of interest income, a decrease in loans and receivables and other assets.

For financing activities, there was a net cash inflow of US\$1.7 million over 1H17 (1H16: net cash outflow used in financing activities amounting to US\$2.4 million). The financing activities mainly included the net proceeds of bank borrowings amounting to US\$3.3 million during 1H017 and the final dividend for FY2016 amounting to US\$1.1 million (1H16: net proceeds of bank borrowings amounting to US\$0.9 million and the final dividend for FY2015 amounting to US\$3.3 million). During 1H17, the Group repurchased its owned shares through open market amounting to US\$0.4 million (1H16: Nil).

**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**

The Group's results are closely tied to the performance of the Group's key customer which is a key industry player for liquid crystal display panels for high-end smartphones, in-vehicle information displays and gameset displays. With the recovery of the key customer's performance, the Group has been benefited from mass production orders with details below, which may enhance the Group's performance for FY2017.

**Business Segment Outlook**

Even though the Group's LCD Backlight Units segment was affected by the weaker demand for LCD backlight units for smartphones, the Group has secured mass production orders related to a new model of handheld gameset device in 2Q17 and such orders will continue to the end of the year under review. In addition to the stable demand for LCD backlight units for small sized in-vehicle display, the Group is working with its key customer to develop LCD backlight units for a large sized in-vehicle display. This is likely to have mass production orders at the end of the year or early next year. Despite this new development which improves its performance, the Group is still suffering from price competition with other competitors who are losing orders in smartphone market due to change in technology and the market preference of OLED and may shift their focus to in-vehicle displays.

The Group continues to look for opportunities to promote the potential of its new generation light guide film product to its key customer and other potential customers. This segment has been working with a potential customer to develop an ultra-thin liquid display panel using such light guide film to compete with OLED. More time is needed to make a significant progress of this development.

The Office Automation and LCD Parts segments are seeing a recovery. The Group's response to challenges has been to explore the procurement of lower cost alternative materials. Separately, the Office Automation segment has received orders for new models, and the LCD Parts segment received orders for ultrathin notebook computers. Both these segments will fare better as market conditions improve, and the Group strategy is to work on expansion of its product portfolio for both segments.

Orders from the Group's new OEM business of mobile payment devices are expected in the second half of the year under review, generating contribution margins for its under-utilised Dongguan plant which, in term, enhance the Group's profitability.

**Managing Risks**

In order to mitigate rising operating costs, especially in the People's Republic of China, the Group deploys more efficient equipment and methods to mitigate rising operating costs and to improve the cost competitiveness of its operations. In addition, the Group's capability in research and development of precision components and sub-modules has played a vital role in securing customers' orders and retaining them over the years.

### **Moving Forward**

The Group operates in a highly competitive environment, prone to rapid changes in technology and subject to short product life cycles. Under these challenges of its current core business, the Group intends to diversify and will continue to explore avenues along this strategy. The Group's involvement in the Life Science business is one such example. The Group's plans include the distribution of existing biotech products, working with selected nutraceutical, cosmetic and food manufacturers on improving their products, and progressively ramping up its Life Science R&D team so as to develop new preventative healthcare products. Although this initial Life Science investment will have a gestation period without any yield of immediate returns, the Group believes that it is a necessary step in the right direction. Going forward, the Group will continue to explore other diversification opportunities on a prudent basis.

Overall, the Group maintains a cautious outlook for FY2017. Should the global economic environment and market conditions worsen, 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? 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	0.2 US cents per ordinary share
Tax Rate	Tax not applicable

### **(c) Date payable**

To be determined later.

### **(d) Books closure date**

To be determined later.

## **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	131	-
<b>Total</b>	131	-

**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 six months / half-year ended 30 June 2017**

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 – Other businesses 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	28,155	9,067	10,546	907	-	48,675
Inter-segment sales		6	161	-	(167)	-
Total revenue	28,155	9,073	10,707	907	(167)	48,675
<b><u>Results</u></b>						
Segment result	3,157	359	61	(418)		3,159
Unallocated corporate expense						(1,602)
Operating profit						1,557
Interest income						430
Finance costs						(43)
Share of loss of an associate						(15)
Profit before income tax						1,929
Income tax expense						(1,350)
Profit after income tax						579
<b><u>Assets</u></b>						
Segment assets	45,377	12,711	25,597	793	(76)	84,402
Unallocated assets						5,016
Consolidated total assets						89,418
<b><u>Liabilities</u></b>						
Segment liabilities	10,320	4,435	3,543	254	(76)	18,476
Bank borrowings and obligation under finance leases						9,506
Unallocated liabilities						1,269
Consolidated total liabilities						29,251
<b><u>Other information</u></b>						
Capital expenditure	165	120	31	-		316
Depreciation of property, plant and equipment	290	157	252	10		709



**Business segment for the six months / half-year ended 30 June 2016**

	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	29,129	8,321	11,429	155	-	49,034
Inter-segment sales	-	189	60	-	(249)	-
Total revenue	29,129	8,510	11,489	155	(249)	49,034
<b>Results</b>						
Segment result	2,144	(114)	286	(12)		2,304
Unallocated corporate expense						(1,838)
Operating profit						466
Interest income						395
Finance costs						(42)
Share of loss of an associate						(99)
Profit before income tax						720
Income tax expense						(645)
Profit after income tax						75
<b>Assets</b>						
Segment assets	39,151	14,169	26,812	872	(155)	80,849
Unallocated assets						4,124
Consolidated total assets						84,973
<b>Liabilities</b>						
Segment liabilities	7,554	2,813	4,102	103	(155)	14,417
Bank borrowings and obligation under finance leases						6,338
Unallocated liabilities						749
Consolidated total liabilities						21,504
<b>Other information</b>						
Capital expenditure	67	24	143	-		234
Depreciation of property, plant and equipment	414	220	290	-		924

**Geographical Segment for the six months / half-year ended 30 June 2017 and 2016**

	Turnover		Non-Current Assets		Capital Expenditure	
	Six months / half-year ended 30 June		Six months / half-year ended 30 June		Six months / half-year ended 30 June	
	2017 US\$'000	2016 US\$'000	2017 US\$'000	2016 US\$'000	2017 US\$'000	2016 US\$'000
<b>Hong Kong</b>	7,139	13,957	161	387	6	8
<b>PRC</b>	37,432	30,561	4,721	5,456	310	209
<b>Japan</b>	4,071	4,427	2,168	2,532	-	17
<b>Others</b>	33	89	-	-	-	-
<b>Total</b>	48,675	49,034	7,050	8,375	316	234

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 71.3% of the total revenue for the six months ended 30 June 2017 (Six months ended 30 June 2016: 70.9%).

### 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 14.7%, 76.9% and 8.4% of the total revenue respectively. Total revenue decreased by 0.7% to US\$48.7 million for the six months ended 30 June 2017 as compared to the corresponding period in the previous year.

As at 30 June 2017, non-current assets located in Hong Kong, the PRC and Japan accounted for 2.3%, 66.9% and 30.8% of the total non-current assets of the Group respectively. During the six months ended 30 June 2017, 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 was mainly for replacement purposes.

### 17. A breakdown of sales

	Six months / half-year ended 30 June		
	2017 US\$'000	2016 US\$'000	% Increase/ (Decrease)
Sales reported for the first quarter	20,415	25,699	(20.6%)
Sales reported for the second quarter	28,260	23,335	21.1%
Operating (loss)/profit after income tax for the first quarter	(192)	40	(580.0%)
Operating profit after income tax for the second quarter	771	35	2,102.9%

### 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 2016	Year ended 31 December 2015
Ordinary dividend		
- Interim	475	2,375
- Final	3,324	3,324
Total	3,799	5,699

### 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 six months / second quarter ended 30 June 2017 to be false or misleading in any material aspect.

## BY ORDER OF THE BOARD

URANO Koichi  
Executive Director  
14 August 2017

DY MO Hua Cheung, Philip  
Executive Director