

Unaudited First Half Financial Statements And Dividend Announcement for the Six Months / Second Quarter Ended 30 June 2018
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 2018

	Note	Three months / second quarter ended 30 June			Six months / half-year ended 30 June		
		2018 US\$'000	2017 US\$'000	% Increase/ (Decrease)	2018 US\$'000	2017 US\$'000	% Increase/ (Decrease)
Revenue		22,206	28,260	(21.4%)	40,556	48,675	(16.7%)
Cost of sales		(17,383)	(21,275)	(18.3%)	(31,627)	(36,487)	(13.3%)
Gross profit		4,823	6,985	(31.0%)	8,929	12,188	(26.7%)
Other operating income		162	277	(41.5%)	461	554	(16.8%)
Distribution expenses		(395)	(549)	(28.1%)	(733)	(929)	(21.1%)
Administrative expenses		(4,426)	(4,976)	(11.1%)	(9,273)	(9,826)	(5.6%)
Finance costs		(59)	(23)	156.5%	(112)	(43)	160.5%
Share of (loss)/gain of an associate		(31)	10	(410.0%)	(50)	(15)	233.3%
Profit/(Loss) before income tax	(1)	74	1,724	(95.7%)	(778)	1,929	(140.3%)
Income tax expense		(342)	(953)	(64.1%)	(442)	(1,350)	(67.3%)
(Loss)/Profit after income tax		(268)	771	(134.8%)	(1,220)	579	(310.7%)
(Loss)/Profit attributable to:							
Owners of the Company		(188)	771	(124.4%)	(1,133)	579	(295.7%)
Non-controlling interests		(80)	-	N.M. *	(87)	-	N.M. *
		(268)	771	(134.8%)	(1,220)	579	(310.7%)

* 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	
	2018 US\$'000	2017 US\$'000	2018 US\$'000	2017 US\$'000
Depreciation of property, plant and equipment	357	334	701	709
Interest income	(149)	(212)	(313)	(430)
Net foreign exchange (gain)/loss (Note a)	(88)	16	105	67
Increase/(Decrease) in allowance for inventories	36	62	(123)	150
Change in fair value of derivative financial instruments	-	15	(6)	39
Net (gain) /loss on disposal of property, plant and equipment	(12)	3	(14)	7
Interest on borrowings	59	23	112	43

Note a: The foreign currency exchange loss for the six months ended 30 June 2018 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 2018

	Three months / second quarter ended 30 June			Six months / half-year ended 30 June		
	2018 US\$'000	2017 US\$'000	% Increase/ (Decrease)	2018 US\$'000	2017 US\$'000	% Increase/ (Decrease)
(Loss)/Profit after income tax	(268)	771	(134.8%)	(1,220)	579	(310.7%)
Other comprehensive income:						
Available-for-sale investments:						
- Fair value (loss)/gain arising during the periods	(22)	(23)	(4.3%)	(56)	62	(190.3%)
- Reversal of deferred tax liabilities/(deferred tax liabilities arising) on revaluation of available-for-sale investment	6	8	(25.0%)	18	(22)	(181.8%)
Exchange difference on translation of foreign operations	(1,834)	357	(613.7%)	(501)	809	(161.9%)
Other comprehensive (expense)/income for the periods, net of tax	(1,850)	342	(640.9%)	(539)	849	(163.5%)
Total comprehensive (expense)/income for the periods, net of tax	(2,118)	1,113	(290.3%)	(1,759)	1,428	(223.2%)
Total comprehensive (expense)/income attributable to:						
Owners of the Company	(2,038)	1,113	(283.1%)	(1,672)	1,428	(217.1%)
Non-controlling interests	(80)	-	N.M. *	(87)	-	N.M. *
	(2,118)	1,113	(290.3%)	(1,759)	1,428	(223.2%)

* N.M.: Not meaningful.

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 2018

	The Group		The Company	
	As at 30 June 2018 US\$'000	As at 31 December 2017 US\$'000	As at 30 June 2018 US\$'000	As at 31 December 2017 US\$'000
ASSETS				
Current assets				
Cash and bank balances	43,407	43,772	122	128
Trade receivables	21,376	24,014	-	-
Other receivables and prepayments	2,115	3,120	62	80
Inventories	8,054	6,863	-	-
Loans and receivables	2,000	1,008	-	-
Held for trading investments	-	15	-	-
Pledged bank deposit (Note b)	147	147	-	-
Total current assets	77,099	78,939	184	208
Non-current assets				
Available-for-sale investments	935	984	-	-
Other assets	443	420	-	-
Prepayment for the acquisition of intangible asset	959	962	-	-
Goodwill	116	-	-	-
Amount due from a subsidiary	-	-	16,786	16,693
Property, plant and equipment	7,296	6,656	-	-
Investment in subsidiaries	-	-	11,334	11,334
Investment in an associate	392	446	-	-
Deferred tax assets	112	136	-	-
Total non-current assets	10,253	9,604	28,120	28,027
Total assets	87,352	88,543	28,304	28,235
LIABILITIES AND EQUITY				
Current liabilities				
Bank borrowings	8,385	8,004	-	-
Trade payables	12,889	11,116	-	-
Other payables and accruals	5,022	4,832	127	140
Current portion of obligation under finance leases	51	45	-	-
Income tax payable	385	1,342	-	-
Derivative financial instruments	-	6	-	-
Total current liabilities	26,732	25,345	127	140
Non-current liabilities				
Bank borrowings	1,000	1,648	-	-
Obligation under finance leases	63	52	-	-
Retirement benefit obligations	282	244	-	-
Deferred tax liabilities	337	337	-	-
Total non-current liabilities	1,682	2,281	-	-
Capital, reserves and non-controlling interests				
Issued capital	10,087	10,087	10,087	10,087
Reserves	48,111	50,821	18,090	18,008
Equity attributable to owners of the Company	58,198	60,908	28,177	28,095
Non-controlling interests	740	9	-	-
Total equity	58,938	60,917	28,177	28,095
Total liabilities and equity	87,352	88,543	28,304	28,235

Note b: As at 30 June 2018, the Group's bank deposit of approximately US\$147,000 (31 December 2017: US\$147,000) 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 2018		As at 31 December 2017	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Bank and other borrowings	-	8,385	-	8,004
Obligation under finance leases	51	-	45	-
Total	51	8,385	45	8,004

Amount repayable after one year

	As at 30 June 2018		As at 31 December 2017	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Bank and other borrowings	-	1,000	-	1,648
Obligation under finance leases	63	-	52	-
Total	63	1,000	52	1,648

Details of collateral

As at 30 June 2018, the Group's bank deposit of approximately US\$147,000 (31 December 2017: US\$147,000) 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\$120,000 (31 December 2017: US\$97,000) in respect of assets held under finance leases which are secured by the lessor's title to the leased assets.

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

CONSOLIDATED STATEMENT OF CASH FLOWS				
For the periods ended 30 June 2018				
	The Group			
	Three months / second quarter ended 30 June		Six months / half-year ended 30 June	
	2018	2017	2018	2017
	US\$'000	US\$'000	US\$'000	US\$'000
OPERATING ACTIVITIES				
Profit/(Loss) before income tax	74	1,724	(778)	1,929
Adjustments for				
Increase/(Decrease) in allowance for inventories	36	62	(123)	150
Depreciation of property, plant and equipment	357	334	701	709
Interest income	(149)	(212)	(313)	(430)
Finance costs	59	23	112	43
Net (gain)/loss on disposal of property, plant and equipment	(12)	3	(14)	7
Retirement benefit obligations	8	15	38	55
Change in fair value of derivative financial instruments	-	15	(6)	39
Share of loss /(gain) of an associate	31	(10)	50	15
Operating cash flows before movements in working capital	404	1,954	(333)	2,517
Change in working capital:				
Trade receivables, other receivables and prepayments	(2,309)	(11,670)	3,643	(10,204)
Inventories	(1,795)	(757)	(1,068)	(918)
Trade payables, other payables and accruals	5,249	5,227	1,609	2,948
Cash generated/(used in) from operations	1,549	(5,246)	3,851	(5,657)
Net income tax paid	(45)	(514)	(1,383)	(1,584)
Interest paid	(59)	(23)	(112)	(43)
Retirement benefit obligations paid	-	-	-	(194)
Net cash from/(used in) operating activities	1,445	(5,783)	2,356	(7,478)
INVESTING ACTIVITIES				
Proceeds from disposal of property, plant and equipment	13	90	22	197
Decrease/(Increase) in other assets	86	6	(23)	147
Additional investment in available-for-sale investment	(3)	(2)	(6)	(5)
Purchase of property, plant and equipment (Note c)	(359)	(195)	(1,295)	(209)
(Interest)/Decrease in loans and receivables	(1,206)	211	(992)	211
Interest income received	149	212	313	430
Acquisition of a subsidiary (Note d)	-	-	199	-
Proceeds from disposal of held for trading investment	14	-	14	-
Net cash (used in)/from investing activities	(1,306)	322	(1,768)	771
FINANCING ACTIVITIES				
Proceeds from shares issued to non-controlling interests	1,390	-	1,390	-
Payment for the share buyback	-	(113)	-	(424)
Proceeds from bank borrowings	4,795	20,229	8,852	36,517
Repayment of obligation under finance leases	(17)	(37)	(29)	(66)
Repayment of bank borrowings	(4,479)	(15,973)	(9,136)	(33,210)
Dividend paid	(1,608)	(1,149)	(1,608)	(1,149)
Net cash from/(used in) financing activities	81	2,957	(531)	1,668
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	220	(2,504)	57	(5,039)
NET EFFECT OF CURRENCY TRANSLATION DIFFERENCES	(1,589)	282	(422)	684
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	44,776	42,893	43,772	45,026
CASH AND CASH EQUIVALENTS AT END OF PERIOD	43,407	40,671	43,407	40,671

Note c: During the six months ended 30 June 2018, the Group acquired property, plant and equipment with aggregate cost of US\$1,340,000 of which US\$45,000 was acquired by means of finance lease (Six months ended 30 June 2017: the Group acquired property, plant and equipment with aggregate cost of US\$316,000 of which US\$107,000 was acquired by means of finance lease.) Cash payment of US\$1,295,000 (Six months ended 30 June 2017: US\$209,000) was made to purchase property, plant and equipment.

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

	The Group	
	Six months / half year ended 30 June	
	2018 US\$'000	2017 US\$'000
The assets and liabilities of a subsidiary acquired during the periods are as follows:		
Non-current assets	37	-
Current assets	325	-
Current liabilities	(351)	-
Net assets acquired:	11	-
Minority interests	(1)	-
Total cost of acquisition	10	-
Net cash inflow arising on acquisition		
Cash consideration paid	126	-
Cash and cash equivalents acquired	(325)	-
Cash flow on acquisition, net of cash and cash equivalents acquired	(199)	-

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 2018	10,087	18,994	(193)	(3,431)	481	(7,020)	6,015	330	1,199	69	4,682	29,695	60,908	9	60,917
Total comprehensive (expense)/income for the period	-	-	-	-	-	-	-	-	-	(22)	1,333	(945)	366	(6)	360
Transfer on share options lapsed	-	-	-	-	(35)	-	-	-	-	-	-	35	-	-	-
Balance as at 31 March 2018	10,087	18,994	(193)	(3,431)	446	(7,020)	6,015	330	1,199	47	6,015	28,785	61,274	3	61,277
Total comprehensive (expense)/income for the period	-	-	-	-	-	-	-	-	-	(16)	(1,834)	(188)	(2,038)	(80)	(2,118)
Share purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(3)	-	-	-	-	-	-	-	-	(3)	-	(3)
Shares issued to non-controlling interests	-	-	-	-	-	-	-	-	573	-	-	-	573	817	1,390
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(1,608)	(1,608)	-	(1,608)
Balance as at 30 June 2018	10,087	18,994	(193)	(3,434)	446	(7,020)	6,015	330	1,772	31	4,181	26,989	58,198	740	58,938

	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 (expense)/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

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	Share premium of the Company	Share capital reserve	Treasury shares	Employee share option reserve	Retained earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2018	10,087	18,994	(193)	(3,431)	481	2,157	28,095
Total comprehensive expense for the period	-	-	-	-	-	(83)	(83)
Transfer on share options lapsed	-	-	-	-	(35)	35	-
Balance as at 31 March 2018	10,087	18,994	(193)	(3,431)	446	2,109	28,012
Total comprehensive expense for the period	-	-	-	-	-	1,776	1,776
Share purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(3)	-	-	(3)
Dividend paid	-	-	-	-	-	(1,608)	(1,608)
Balance as at 30 June 2018	10,087	18,994	(193)	(3,434)	446	2,277	28,177

	Share Capital	Share premium of the Company	Share capital reserve	Treasury shares	Employee share option reserve	Retained earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
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

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 2017, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 229,644,908 ordinary shares (excluding treasury shares), and 22,532,202 ordinary shares held as treasury shares.

During the first quarter ended 31 March 2018, the Company did not purchase any ordinary share under the Shares Purchase Mandate and held them as treasury shares. As at 31 March 2018, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 229,644,908 ordinary shares (excluding treasury shares) and 22,532,202 ordinary shares held as treasury shares.

During the second quarter ended 30 June 2018, the Company purchased 20,000 ordinary shares under the Shares Purchase Mandate and held them as treasury shares. As at 30 June 2018, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 229,624,908 ordinary shares (excluding treasury shares) and 22,552,202 ordinary shares held as treasury shares.

Treasury shares

	The Company			
	2018		2017	
	Number of shares	US\$'000	Number of shares	US\$'000
Balance as at 1 January	22,532,202	3,431	19,947,102	2,980
Ordinary Shares purchased during the first quarter	-	-	1,800,000	311
Ordinary Shares purchased during the second quarter	20,000	3	638,000	113
Balance as at 30 June	<u>22,552,202</u>	<u>3,434</u>	<u>22,385,102</u>	<u>3,404</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 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 2018, a total of 500,000 unexercised share options lapsed on the ground that the employees left the Group. During the second quarter ended 30 June 2018, the company did not grant any share options nor cancel any share options granted. The number of outstanding share options as at 30 June 2018 was 6,250,000 (31 December 2017: 6,750,000) 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 2018	As at 31 December 2017
Issued shares	252,177,110	252,177,110
Less: Treasury shares	(22,552,202)	(22,532,202)
Total number of issued shares excluding treasury shares	<u>229,624,908</u>	<u>229,644,908</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 2018, there were no sales, transfers, disposal, cancellation and/or use of treasury shares. During the second quarter ended 30 June 2018, there was a purchase of 20,000 ordinary shares under the Share Purchase Mandate and held as treasury shares. As at 30 June 2018, there were 22,552,202 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 2017 except for the adoption of the revised International Financial Reporting Standards which came into effect this financial year from 1 January 2018. 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.

(Loss)/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	
	2018	2017	2018	2017
Based on weighted average number of ordinary shares in issue (US cents)				
- Basic	(0.08)	0.34	(0.49)	0.25
- Fully diluted (Note e)	(0.08)	0.33	(0.49)	0.25
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (Note f)	229,644,249	229,918,623	229,644,577	230,385,058
Effect of dilutive share options	409,162	1,101,228	553,465	1,192,495
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Weighted average number of ordinary shares for the purpose of diluted earnings per ordinary share	230,053,411	231,019,851	230,198,042	231,577,553

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 2018.

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 2018	31 December 2017
Net asset value per ordinary share, excluding treasury shares (US cents)		
- The Group	25.67	26.53
- The Company	12.27	12.23

The calculation of the net asset value per ordinary share was based on total number of 229,624,908 (31 December 2017: 229,644,908) 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 2018 ("1H2018"), the Group experienced a drop in revenue by US\$8.1 million to US\$40.6 million as compared to the revenue of US\$48.7 million in 1H2017. The drop was mainly due to fewer orders attributable to an inventory adjustment by the end customer of the key customer in the LCD Backlight Units segment. The Group's gross profit for 1H2018 decreased by US\$3.3 million to US\$8.9 million from US\$12.2 million in 1H2017. As result of a low utilisation rate, the gross profit margin of the Group fell to 22.0% in 1H2018, as compared to 25.0% in 1H2017.

Other operating income registered an amount of US\$0.5 million in 1H2018 as compared to US\$0.6 million in 1H2017. This amount mainly comprised interest income earned on bank deposits. The reduction in interest income was due to the fall in interest rate for deposits in renminbi in general.

In the area of expenses, distribution expenses decreased by US\$0.2 million to US\$0.7 million (1H2017: US\$0.9 million) while administrative expenses in 1H2018 was reduced by US\$0.5 million to US\$9.3 million (1H2017: US\$9.8 million). Included in administrative expenses was an expense amounting to US\$1.0 million attributable to the Group's Life Science business.

Even though the Group experienced a rise in interest rates which led to an increase in finance costs for the period under review, finance costs still remained at a lower level as the Group continues to strictly uphold a low gearing policy despite the current low interest environment.

The Group's associated company incurred an operating loss in 1H2018 of which the Group's 25% share of such loss amounted to US\$0.05 million (1H2017: US\$0.02 million).

Income tax expenses for 1H2018 decreased by US\$0.9 million to US\$0.4 million as compared to US\$1.3 million for 1H2017. Even though the Group incurred an overall loss before income tax, it was still subjected to income tax because tax credits from the loss-making subsidiaries were unable to fully mitigate the income tax payable from the profit-making subsidiaries.

In 1H2018, the Group recorded a loss before income tax of US\$0.8 million (1H2017: profit before income tax of US\$1.9 million) and registered a loss after income tax amounting to US\$1.2 million (1H2017: profit after income tax of US\$0.6 million).

LCD Backlight Units

In 1H2018, revenue from the LCD Backlight Units segment was US\$16.4 million, a US\$11.8 million decrease as compared to US\$28.2 million in the previous corresponding period. Revenue was affected by fewer orders in LCD backlight units for gameset display caused by the inventory adjustment of the key customer's end customer. There was a marginal operating profit of US\$0.3 million in 1H2018 as compared to an operating profit of US\$3.2 million in 1H2017. The operating margin decreased from 11.2% in 1H2017 to 1.8% in 1H2018.

In terms of volume production, the total number of units sold for the segment amounted to 4.2 million units (1H2017: 10.3 million units). Approximately 0.1 million units were sold for handsets (1H2017: 0.6 million units) and another 4.1 million units were sold for gamesets and in-vehicle displays (1H2017: 9.7 million units). This was an 83.3% and 57.7% decrease respectively.

Office Automation

The revenue from this segment rose by 44.4% to US\$13.0 million in 1H2018 as compared to US\$9.0 million in 1H2017. The segment recorded an improvement of its operating profit of US\$0.9 million in 1H2018 as compared to US\$0.4 million in 1H2017. This increase was a result of orders for parts for new models of office automation and smartphones. The Operating margin increased from 4.0% in 1H2017 to 7.0% in 1H2018.

LCD Parts and Accessories

Sales for the LCD Parts and Accessories segment increased by US\$0.2 million from US\$10.5 million in 1H2017 to US\$10.7 million in 1H2018. The segment booked an operating profit of US\$0.8 million for the period under review, as compared to US\$0.06 million in the previous corresponding period. The increase in operating profit was due to new orders for parts for ultrathin notebook computer and orders for the OEM business. The operating margin increased from 0.6% in 1H2017 to 7.2% in 1H2018.

Others

The other segment mainly includes the food and beverage business as well as the Life Sciences business. This segment generated a revenue of US\$0.6 million for the period under review. As the Life Sciences division is still in its initial development stage, there was an operating loss of US\$1.1 million for 1H2018.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2018, the Group's total assets and liabilities stood at US\$87.4 million and US\$28.4 million respectively, as compared to US\$88.5 million and US\$27.6 million as at 31 December 2017.

Current assets decreased slightly by US\$1.8 million to US\$77.1 million as at 30 June 2018 as compared to US\$78.9 million as at 31 December 2017. Cash and bank balances remained stable at US\$43.4 million over the period under review. To ease one of our customer's cash flow, trade receivables amounting to US\$2.7 million was restructured to loan and receivables. Associated with lower sales in the period end, trade receivables decreased by US\$2.6 million from US\$24.0 million as at 31 December 2017 to US\$21.4 million as at 30 June 2018. There was no material change in the credit term of 60 days to 120 days offered to customers in general.

Other receivables and prepayments, representing utility deposits, prepaid expenses, interest receivable and value-added tax recoverable, reduced by US\$1.0 million during the period under review from US\$3.1 million as at 31 December 2017 to US\$2.1 million as at 30 June 2018. The reduction was mainly attributable to the prepaid expenses of US\$0.2 million charged to profit and loss, a reduction of US\$0.4 million in value-added tax recoverable and the receipt of interest amounting to US\$0.3 million.

Inventories rose by US\$1.2 million over 1H2018 to US\$8.1 million at 30 June 2018 (31 December 2017: US\$6.9 million) due to increased orders for the following quarter of the year.

Included in loan and receivables, was the provision of funding to two third parties under payment security and personal guarantee. It included the restructure of US\$2.7 million from trade receivables as mentioned above. During the period under review, US\$1.7 million was settled.

The non-current assets of the Group stood at US\$10.3 million as at 30 June 2018 as compared to US\$9.6 million as at 31 December 2017. Also included in property, plant and equipment was newly purchased equipment amounting to US\$1.3 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. During the period under review, the Group acquired a research and development company in Japan, which gave rise to a goodwill amount of US\$0.1 million.

Total liabilities as at 30 June 2018 was up to US\$28.4 million, representing an increase of US\$0.8 million over 1H2018, (31 December 2017: US\$27.6 million). During 1H2018, the Group redrew bank borrowings amounting to US\$8.8 million while it settled bank borrowings amounting to US\$9.1 million with a net outflow of finance amounting to US\$0.3 million. The total amount of bank borrowings fell by US\$0.3 million to US\$9.4 million as at 30 June 2018 (31 December 2017: US\$9.7 million).

Trade payables increased by US\$1.8 million over 1H2018 to US\$12.9 million at 30 June 2018 (31 December 2017: US\$11.1 million). It was consistent with the increase in sales and inventories as explained above. There was no material change in the credit terms offered by the Group's suppliers.

The income tax on profit for 1H2018 was provided for and adjusted under tax rules for different jurisdiction. The income tax charge net of payment for the period under review had reduced the income tax payable by US\$0.9 million to US\$0.4 million (31 December 2017: US\$1.3 million).

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

STATEMENT OF CASH FLOWS

The Group generated a net cash of US\$2.4 million from operating activities (1H2017: net cash of US\$7.5 million used in operating activities) over the period under review. The net cash from operating activities was mainly due to the settlement of trade receivables.

With regard to investing activities, there was a net cash outflow of US\$1.8 million (1H2017: net cash inflow of US\$0.8 million) over the period under review, mainly attributable to the receipt of interest income and the settlement of loans and receivables, net of the payment for the investment in a subsidiary in Japan and the investment in property, plant and equipment.

Lastly, financing activities saw a net cash outflow of US\$0.5 million (1H2017: net cash inflow of US\$1.7 million) over the period under review. These activities included the net repayment of bank borrowings amounting to US\$0.3 million and the payment of final dividend of US\$1.6 million for FY2017, net of the proceeds of US\$1.4 million from issuing new shares of a subsidiary of the Group to third parties as non-controlling interest.

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 its key customer which is a key industry player for liquid crystal display panels for high-end smartphones, in-vehicle information displays and gameset displays. As there was an inventory adjustment by the end customer of the Group's key customer, there were fewer orders of LCD backlight units for their gameset display units, which resulted in a drop in the Group's revenue.

The business environment of the Group's core business remains challenging due to price competition and short product life cycles, but the Group is continuously working with its customers to develop new products as well as looking for other revenue streams to support the growth of the Company.

Business Segment Outlook

The Group's LCD Backlight Units segment was affected by the weaker demand for LCD backlight units for smartphones, gameset devices and in-vehicle displays. However, the Group's key customer has already scheduled orders for large sized LCD backlight units for information display panels in 4Q2018, but there may be uncertainty over the actual timing for when these orders will be confirmed and the final production quantity. These larger display panels are to be used in more premium vehicles and ultrathin notebook computers.

The new generation light guide film which is being co-developed with the key customer, will be mainly used in LCD backlight units for ultrathin notebook computers. It is proceeding at a steady pace and will open up opportunities for more mass production orders in the coming years.

The Office Automation is progressing at a steady pace with an increased number of orders for parts for new models of office automation and mobile phones. The LCD Parts and Accessories segment is also seeing slight improvements attributable to orders from the OEM business and new orders for parts for ultrathin notebook computers. Though the Group faced a delay in the mass production orders in its OEM business, it is expected to improve in the second half of FY2018 as the Group improves its production efficiency. The Group also expects its Office Automation and LCD Parts and Accessories segments to further improve alongside consumer spending and work on expanding its portfolio of products for both business segments.

The Life Sciences business continues to make steady progress. The Group is exploring various options to market its synthetic antibodies library to relevant biotech and pharmaceutical companies for research and development purposes with the aim of creating alternative treatments for diseases in the future. A Biotech Company Limited, a subsidiary of the Group in Korea, will perform R&D with co-operation of GSP Enterprise Inc., another subsidiary of the Group in Japan, on antibodies-related products as well as manufacture and sell to other pharmaceutical or nutraceutical companies in Korea.

The Group's food and beverage business is still suffering from insufficient business volume, and is in the midst of attracting customers to increase its table turnover rates and hence its profitability.

Managing Risks

Through restructuring and consolidation of operations, and deployment of more efficient equipment and methods, the Group is able to improve its competitiveness and operating efficiency to mitigate any rising costs. The Group has also been converting its facilities to become automated, which in turn increases productivity and product consistency that will translate into better returns in the long-term.

The Group's OEM business of mobile payment devices at the under-utilised Dongguan plant continues to generate contribution margins so as to enhance the Group's overall profitability. The Group will continue to source for more OEM businesses so as to increase the utilisation of the Dongguan plant.

As the US government has imposed additional tariffs on the importation of products made in China, the Group's products may be subjected to such tariffs in future. The Group is closely monitoring the situation and will take up the appropriate measures to mitigate the risk of such tariffs adversely affecting its performance, by means of allocating part of the manufacturing process or assembly work outside China to avoid incurring any additional tariffs.

Moving Forward

The Group expects a steady number of orders for its Office Automation and LCD Parts and Accessories segments while continuing to overcome challenges faced by its LCD backlight units segment. It will ramp up efforts to increase its product portfolio so as to be able to offer a wider range of products and secure more orders.

The Life Sciences business is still in its development phase and will continue to affect the Group's profitability to some extent, though it should be viewed as an investment in order to diversify the Group's business and eventually increase its revenue stream. The potential in the life sciences industry is far and wide, and the Group believes that its prudent approach to growing the Life Sciences business will mitigate risks.

The Group continues to remain cautious for the remaining quarters in FY2018 due to its challenging operating environment and the effects of the volatile global economic environment.

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	0.4 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	Final
Dividend Type	Cash
Dividend Amount per Share	0.5 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:

	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	130	-
Total	130	-

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 2018

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 and of payment devices
- iv) Others – Other businesses including general trading and food and beverage business and life sciences

	LCD backlight units	Office automation	LCD parts and accessories	Others	Eliminations	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>Revenue</u>						
External sales	16,404	12,834	10,765	553	-	40,556
Inter-segment sales	-	138	-	-	(138)	-
Total revenue	16,404	12,972	10,765	553	(138)	40,556
<u>Results</u>						
Segment result	287	899	772	(1,121)		837
Unallocated corporate expense						(1,777)
Operating profit						(940)
Interest income						313
Finance costs						(112)
Share of loss of an associate						(50)
Loss before income tax						(789)
Income tax expense						(431)
Loss after income tax						(1,220)
<u>Assets</u>						
Segment assets	32,240	21,514	24,769	6,017	(63)	84,477
Unallocated assets						2,875
Consolidated total assets						87,352
<u>Liabilities</u>						
Segment liabilities	6,489	5,386	5,221	749	(63)	17,782
Bank borrowings and obligation under finance leases						9,499
Unallocated liabilities						1,133
Consolidated total liabilities						28,414
<u>Other information</u>						
Capital expenditure	348	261	399	332		1,340
Depreciation of property, plant and equipment	258	199	227	17		701

Business segment for the six months / half-year ended 30 June 2017

	LCD backlight units	Office automation	LCD parts and accessories	Others	Eliminations	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue						
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
Results						
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
Assets						
Segment assets	45,377	12,711	25,597	793	(76)	84,402
Unallocated assets						5,016
Consolidated total assets						89,418
Liabilities						
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
Other information						
Capital expenditure	165	120	31	-		316
Depreciation of property, plant and equipment	290	157	252	10		709

Geographical Segment for the six months / half-year ended 30 June 2018 and 2017

	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	
	2018 US\$'000	2017 US\$'000	2018 US\$'000	2017 US\$'000	2018 US\$'000	2017 US\$'000
Hong Kong	8,343	7,139	625	161	434	6
PRC	25,197	37,432	4,524	4,721	522	310
Japan	6,451	4,071	2,193	2,168	131	-
Others	565	33	355	-	253	-
Total	40,556	48,675	7,697	7,050	1,340	316

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 46.8% of the total revenue for the six months ended 30 June 2018 (Six months ended 30 June 2017: 71.3%).

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 20.6%, 62.1% and 15.9% of the total revenue respectively. Total revenue decreased by 16.7% to US\$40.6 million for the six months ended 30 June 2018 as compared to the corresponding period in the previous year.

As at 30 June 2018, non-current assets located in Hong Kong, the PRC and Japan accounted for 8.1%, 58.8% and 28.5% of the total non-current assets of the Group respectively. During the six months ended 30 June 2018, the Group invested a total capital expenditure of US\$1.3 million for the purchase of equipment in Hong Kong, the PRC, Japan and Korea, and it was mainly for the purposes of replacement and new business.

17. A breakdown of sales

	Six months / half-year ended 30 June		
	2018 US\$'000	2017 US\$'000	% Increase/ (Decrease)
Sales reported for the first quarter	18,350	20,415	(10.1%)
Sales reported for the second quarter	22,206	28,260	(21.4%)
Operating loss after income tax for the first quarter	(952)	(192)	395.8%
Operating (loss)/profit after income tax for the second quarter	(268)	771	(134.8%)

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 2017	Year ended 31 December 2016
Ordinary dividend		
- Interim	1,149	475
- Final	1,608	1,149
Total	2,757	1,624

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

We, Yoshikawa Makoto 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 2018 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

YOSHIKAWA Makoto
Executive Director
14 August 2018

DY MO Hua Cheung, Philip
Executive Director