

Unaudited First Half Financial Statements And Dividend Announcement for the Six Months / Second Quarter Ended 30 June 2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period ended 30 June 2015

	Note	Three months / second quarter ended 30 June			Six months / half-year ended 30 June		
		2015 US\$'000	2014 US\$'000	% Increase/ (Decrease)	2015 US\$'000	2014 US\$'000	% Increase/ (Decrease)
Revenue		26,358	31,017	(15.0%)	64,575	65,765	(1.8%)
Cost of sales		(19,867)	(23,739)	(16.3%)	(49,827)	(51,247)	(2.8%)
Gross profit		6,491	7,278	(10.8%)	14,748	14,518	1.6%
Other operating income		5,345	775	589.7%	5,745	1,283	347.8%
Distribution expenses		(408)	(500)	(18.4%)	(1,124)	(1,023)	9.9%
Administrative expenses		(5,077)	(5,482)	(7.4%)	(10,122)	(10,668)	(5.1%)
Finance costs		(43)	(49)	(12.2%)	(94)	(84)	11.9%
Share of results of associates		(32)	-	N.M.*	(13)	-	N.M.*
Profit before income tax	(1)	6,276	2,022	210.4%	9,140	4,026	127.0%
Income tax expense		(372)	(242)	53.7%	(1,659)	(838)	98.0%
Profit after income tax		5,904	1,780	231.7%	7,481	3,188	134.7%
Profit attributable to:							
Owners of the Company		5,904	1,778	232.1%	7,482	3,189	134.6%
Non-controlling interests		-	2	N.M.*	(1)	(1)	-
		5,904	1,780	231.7%	7,481	3,188	134.7%

* 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	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Depreciation of property, plant and equipment	504	469	994	967
Interest income	(370)	(354)	(719)	(766)
Net foreign exchange gain (Note a)	(175)	(54)	(451)	(45)
(Decrease)/Increase in allowance for inventories	(96)	59	22	191
Change in fair value of derivative financial instruments	(62)	-	(124)	(88)
Net loss on disposal of property, plant and equipment	-	-	-	5
Interest on borrowings	43	49	94	84
Change in fair value of held for trading investments	69	-	77	-
Gain on redemption of available-for-sale investments	-	(393)	-	(393)

Note a: The foreign currency exchange gain for the six months ended 30 June 2015 comprised mainly unrealised gain net of unrealised loss 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 gain net of realised loss on payments denominated in foreign currencies other than the functional currency in each Group entity.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2015

	Three months / second quarter ended 30 June			Six months / half-year ended 30 June		
	2015 US\$'000	2014 US\$'000	% Increase/ (Decrease)	2015 US\$'000	2014 US\$'000	% Increase/ (Decrease)
Profit after income tax	5,904	1,780	231.7%	7,481	3,188	134.7%
Other comprehensive income:						
Available-for-sale investment:						
- Fair value (loss) gain arising during the year	(25)	30	(183.3%)	(34)	78	(143.6%)
- Reversal of deferred tax liability/ (Deferred taxliability arising) on revaluation of available-for-sale investment	9	(11)	(181.8%)	12	(28)	(142.9%)
- Reclassification adjustment arising from gain on disposal included in profit or loss	-	(393)	N.M.*	-	(393)	N.M.*
Exchange difference on translation of foreign operations	(1)	117	(100.9%)	(226)	(71)	218.3%
Reclassification adjustment for the disposal of subsidiary included in profit or loss	(4,937)	-	N.M.*	(4,937)	-	N.M.*
Other comprehensive expense for the periods, net of tax	(4,954)	(257)	(1,827.6%)	(5,185)	(414)	1,152.4%
Total comprehensive income for the periods, net of tax	950	1,523	(37.6%)	2,296	2,774	(17.2%)
Total comprehensive income attributable to:						
Owners of the Company	950	1,521	(37.5%)	2,297	2,775	(17.2%)
Non-controlling interests	-	2	N.M.*	(1)	(1)	-
	950	1,523	(37.6%)	2,296	2,774	(17.2%)

* 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 2015

	The Group		The Company	
	As at 30 June 2015 US\$'000	As at 31 December 2014 US\$'000	As at 30 June 2015 US\$'000	As at 31 December 2014 US\$'000
<u>ASSETS</u>				
Current assets				
Cash and bank balances	60,827	68,730	292	831
Trade receivables	12,892	23,295	-	-
Other receivables and prepayments	1,934	2,867	10	20
Inventories	8,433	11,013	-	-
Loans and receivables	1,952	1,898	-	-
Held for trading investments	395	442	-	-
Pledged bank deposit (Note b)	145	145	-	-
Derivative financial instruments	49	-	-	-
Income tax recoverable	287	-	-	-
Total current assets	86,914	108,390	302	851
Non-current assets				
Available-for-sale investment	43	73	-	-
Held-to-maturity investment	980	980	-	-
Other assets	428	538	-	-
Amount due from a subsidiary	-	-	16,936	15,857
Property, plant and equipment	8,776	8,954	-	-
Investment in subsidiaries	-	-	11,002	11,002
Investment in an associate	2,441	-	-	-
Total non-current assets	12,668	10,545	27,938	26,859
Total assets	99,582	118,935	28,240	27,710
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Bank borrowings	10,353	10,595	-	-
Trade payables	10,461	23,040	-	-
Other payables and accruals	5,201	6,836	207	229
Derivative financial instruments	-	75	-	-
Current portion of obligation under finance leases	136	173	-	-
Income tax payable	124	2,506	-	-
Total current liabilities	26,275	43,225	207	229
Non-current liabilities				
Bank borrowings	2,742	4,365	-	-
Obligation under finance leases	125	182	-	-
Retirement benefit obligations	660	634	-	-
Deferred tax liabilities	462	352	-	-
Total non-current liabilities	3,989	5,533	-	-
Capital, reserves and non-controlling interests				
Issued capital	10,087	10,087	10,087	10,087
Reserves	59,222	60,080	17,946	17,394
Equity attributable to owners of the Company	69,309	70,167	28,033	27,481
Non-controlling interests	9	10	-	-
Total equity	69,318	70,177	28,033	27,481
Total liabilities and equity	99,582	118,935	28,240	27,710

Note b: As at 30 June 2015, the Group's bank deposit of approximately US\$145,000 (31 December 2014: US\$145,000) 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 2015		As at 31 December 2014	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Bank and other borrowings	-	10,353	-	10,595
Obligation under finance leases	136	-	173	-
Total	136	10,353	173	10,595

Amount repayable after one year

	As at 30 June 2015		As at 31 December 2014	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Bank and other borrowings	-	2,742	-	4,365
Obligation under finance leases	125	-	182	-
Total	125	2,742	182	4,365

Details of collateral

As at 30 June 2015, the Group's bank deposit of approximately US\$145,000 (31 December 2014: US\$145,000) 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\$234,000 (31 December 2014: US\$332,000) 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 period ended 30 June 2015				
	The Group			
	Three months / Second quarter ended 30 June		Six months / half-year ended 30 June	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
OPERATING ACTIVITIES				
Profit before income tax	6,276	2,022	9,140	4,026
Adjustments for				
(Decrease)/Increase in allowance for inventories	(96)	59	22	191
Depreciation of property, plant and equipment	504	469	994	967
Interest income	(370)	(354)	(719)	(766)
Finance costs	43	49	94	84
Gain on redemption of available-for-sale investment	-	(393)	-	(393)
Net loss on disposal of property, plant and equipment	-	-	-	5
Retirement benefit obligations	21	37	42	64
Changes in fair value of derivative financial instruments	(62)	-	(124)	(88)
Reclassification adjustment arising from the disposal of a subsidiary	(4,937)	-	(4,937)	-
Share-based payment expense	85	30	169	30
Change in fair value of held for trading investments	69	-	77	-
Operating cash flows before movements in working capital	1,533	1,919	4,758	4,120
Change in working capital:				
Trade receivables, other receivables and prepayments	5,670	(1,392)	11,336	11,375
Inventories	56	(1,139)	2,558	2,137
Trade payables, other payables and accruals	(2,831)	82	(14,213)	(8,172)
Cash generated from/(used in) operations	4,428	(530)	4,439	9,460
Net income tax paid	(2,577)	(1,227)	(4,200)	(2,331)
Interest paid	(43)	(49)	(94)	(84)
Retirement benefit obligations paid	-	(41)	-	(41)
Share of results of associates	32	-	13	-
Net cash from/(used in) operating activities	1,840	(1,847)	158	7,004
INVESTING ACTIVITIES				
Proceeds from disposal of property, plant and equipment	-	-	-	22
(Increase)/Decrease in other assets	(5)	(8)	39	(43)
Additional investment in available-for-sale investments	(2)	(3)	(5)	(6)
Proceeds from redemption of available-for-sale investments	-	979	-	979
Purchase of property, plant and equipment (Note c)	(648)	(141)	(861)	(316)
Decrease/(Increase) in loans and receivables	6	(1,080)	(51)	(106)
Interest income received	370	354	719	766
Investment in associates	-	-	(2,442)	-
Purchase of held for trading investments	(29)	-	(29)	-
Net cash(used in)/from investing activities	(308)	101	(2,630)	1,296
FINANCING ACTIVITIES				
Proceeds from bank borrowings	45,130	2,582	117,540	12,348
Repayment of obligation under finance leases	(47)	(47)	(93)	(124)
Repayment of bank borrowings	(45,527)	(1,813)	(119,396)	(8,462)
Dividend paid	(3,324)	(3,321)	(3,324)	(3,321)
Net cash (used in)/from financing activities	(3,768)	(2,599)	(5,273)	441
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,236)	(4,345)	(7,745)	8,741
NET EFFECT OF CURRENCY TRANSLATION DIFFERENCES	48	134	(158)	(48)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	63,015	64,450	68,730	51,546
CASH AND CASH EQUIVALENTS AT END OF PERIOD	60,827	60,239	60,827	60,239

Note c: During the six months ended 30 June 2015, the Group acquired property, plant and equipment with aggregate cost of US\$861,000 (1H2014: US\$328,000) and did not acquire any property, plant and equipment by means of financial lease (1H2014: US\$12,000 was acquired by means of finance lease). Cash payment of US\$861,000 (1H2014: US\$316,000) 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 2015	10,087	18,994	(202)	(2,061)	209	(7,020)	6,772	329	1,190	23	11,324	30,522	70,167	10	70,177
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(6)	(225)	1,578	1,347	(1)	1,346
Share-based payment expense	-	-	-	-	85	-	-	-	-	-	-	-	85	-	85
Balance as at 31 March 2015	10,087	18,994	(202)	(2,061)	294	(7,020)	6,772	329	1,190	17	11,099	32,100	71,599	9	71,608
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(16)	(4,938)	5,904	950	-	950
Transfer	-	-	-	-	-	-	(825)	-	-	-	-	825	-	-	-
Share-based payment expense	-	-	-	-	84	-	-	-	-	-	-	-	84	-	84
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(3,324)	(3,324)	-	(3,324)
Balance as at 30 June 2015	10,087	18,994	(202)	(2,061)	378	(7,020)	5,947	329	1,190	1	6,161	35,505	69,309	9	69,318

	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 2014	10,087	18,994	(221)	(2,100)	-	(7,020)	6,656	327	1,187	377	12,681	27,967	68,935	52	68,987
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	31	(188)	1,411	1,254	(3)	1,251
Balance as at 31 March 2014	10,087	18,994	(221)	(2,100)	-	(7,020)	6,656	327	1,187	408	12,493	29,378	70,189	49	70,238
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(374)	117	1,778	1,521	2	1,523
Treasury shares transferred out to satisfy the acquisition of non-controlling interests	-	-	19	39	-	-	-	-	-	-	-	-	58	-	58
Transferred out on acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(41)	(41)
Transfer	-	-	-	-	-	-	53	-	-	-	-	(53)	-	-	-
Share-based payment expense	-	-	-	-	30	-	-	-	-	-	-	-	30	-	30
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(3,321)	(3,321)	-	(3,321)
Balance as at 30 June 2014	10,087	18,994	(202)	(2,061)	30	(7,020)	6,709	327	1,187	34	12,610	27,782	68,477	10	68,487

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

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve US\$'000	Treasury shares US\$'000	Employee share option reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Balance as at 1 January 2015	10,087	18,994	(202)	(2,061)	209	454	27,481
Total comprehensive income for the period	-	-	-	-	-	(173)	(173)
Share-based payment expense	-	-	-	-	85	-	85
Balance as at 31 March 2015	10,087	18,994	(202)	(2,061)	294	281	27,393
Total comprehensive income for the period	-	-	-	-	-	3,880	3,880
Share-based payment expense	-	-	-	-	84	-	84
Dividend paid	-	-	-	-	-	(3,324)	(3,324)
Balance as at 30 June 2015	10,087	18,994	(202)	(2,061)	378	837	28,033

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve US\$'000	Treasury shares US\$'000	Employee share option reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Balance as at 1 January 2014	10,087	18,994	(221)	(2,100)	-	134	26,894
Total comprehensive income for the period	-	-	-	-	-	3,366	3,366
Balance as at 31 March 2014	10,087	18,994	(221)	(2,100)	-	3,500	30,260
Total comprehensive income for the period	-	-	-	-	-	131	131
Treasury shares transferred out to satisfy the acquisition of non-controlling interests	-	-	19	39	-	-	58
Share-based payment expense	-	-	-	-	30	-	30
Dividend paid	-	-	-	-	-	(3,321)	(3,321)
Balance as at 30 June 2014	10,087	18,994	(202)	(2,061)	30	310	27,158

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Share Capital

As at 31 December 2014, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 474,914,221 ordinary shares (excluding treasury shares) and 29,440,000 treasury shares.

During the first quarter ended 31 March 2015 and second quarter ended 30 June 2015, the Company did not purchase any ordinary share under the share purchase mandate and held them as treasury shares. As at 30 June 2015, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 474,914,221 ordinary shares (excluding treasury shares), and 29,440,000 treasury shares.

Treasury shares

	The Company			
	2015		2014	
	Number of shares	US\$'000	Number of shares	US\$'000
Balance as at 1 January	29,440,000	2,061	29,992,000	2,100
Transferred during the second quarter ended 30 June	-	-	(552,000)	(39)
Balance as at 30 June	<u>29,440,000</u>	<u>2,061</u>	<u>29,440,000</u>	<u>2,061</u>

Share Options

On 30 May 2014, the Chief Executive Officers of the Company proposed to grant options to eight directors and twelve senior executives (the "Participants") to subscribe for a total of 19,000,000 ordinary shares of US\$0.02 each in the capital of the Company, pursuant to CDW Employees Share Option Scheme 2013. This proposal was adopted and administrated by the Remuneration Committee. The options granted were accepted by the Participants in June 2014. The option will be exercisable at S\$0.108 per share with an exercise period commencing from 30 May 2016 to 29 May 2019 (both days inclusive).

The number of outstanding share options as at 30 June 2015 was 19,000,000 (31 December 2014: 19,000,000).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	The Company	
	As at 30 June 2015	As at 31 December 2014
Issued shares	504,354,221	504,354,221
Less: Treasury shares	(29,440,000)	(29,440,000)
Total number of issued shares excluding treasury shares	<u>474,914,221</u>	<u>474,914,221</u>

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on.

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice.**

The figures have not been audited or reviewed by any independent auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the most recently audited annual financial statements for the year ended 31 December 2014 except for the adoption of the new and revised International Financial Reporting Standards which came into effect this financial year from 1 January 2015. The adoption of these new accounting policies did not give rise to any significant change to the financial statements.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Profit per ordinary share for the periods
based on profit attributable to owners
of the Company on 1(a) above

	Three months / second quarter ended 30 June		Six months / half-year ended 30 June	
	2015	2014	2015	2014
Based on weighted average number of ordinary shares in issue (US cents)				
- Basic	1.24	0.37	1.58	0.67
- Fully diluted (Note d)	1.22	0.37	1.55	0.67
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (Note e)	474,914,221	474,507,803	474,914,221	474,435,414
Effect of dilutive share options	9,110,843	1,226,596	8,551,935	616,687
Weighted average number of ordinary shares for the purpose of diluted earnings per ordinary share	484,025,064	475,734,399	483,466,156	475,052,101

Note d: Diluted effect on earnings per share referred to share options granted to the participants under the Company's Employee Share Option Scheme remained outstanding as at 30 June 2015.

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

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

	30 June 2015	31 December 2014
Net asset value per ordinary share, excluding treasury shares (US cents)		
- The Group	14.60	14.78
- The Company	5.90	5.79

The calculation of the net asset value per ordinary share was based on total number of 474,914,221 (31 December 2014: 474,914,221) ordinary shares (excluding treasury shares).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors, and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Statement of Profit or Loss

In the first half of the current year under review ("1H15"), the Group registered a moderate decrease of US\$1.2 million in revenue to US\$64.6 million as compared to the revenue of US\$65.8 million in the corresponding period in the previous year ("1H14"). It was mainly attributable to the stable supply of light ultra-thin guide panel, a critical component in the LCD Backlight Units segment, which enabled the Group to catch up backlog orders. The Group's gross profit for 1H15 slightly increased by US\$0.2 million or 1.6% to US\$14.7 million from US\$14.5 million for 1H14 with gross profit margin improved to 22.8% in 1H15 as compared to 22.1% in 1H14, which was attributable to comparatively higher utilisation rate.

Other operating income mainly comprised of interest income and exchange gain of US\$4.9 million arising from the disposal of a subsidiary during the period under review. In the area of expenses, distribution expenses were moderately increased by US\$0.1 million to US\$1.1 million in 1H15 (1H14: US\$1.0 million). Attributable to cost control over administrative expenses weakening and Japanese yen, administrative expenses slightly dropped by US\$0.6 million to US\$10.1 million (1H14: US\$10.7 million). Finance costs remained at a low level during the period under review as the Group maintained a low gearing policy at low interest rate environment. Income tax expenses were increased by US\$0.9 million to US\$1.7 million over 1H15 (1H14: US\$0.8 million) as income tax of profit-making subsidiaries cannot be offset by the loss credit of loss-making subsidiaries and the charge for the capital gain on the disposal of a subsidiary. The Group registered an increment of US\$5.1 million and US\$4.3 million in the profit before income tax and the profit after income tax for 1H15 to US\$9.1 million (1H14: US\$4.0 million) and US\$7.5 million (1H14: US\$3.2 million) respectively.

LCD Backlight Units

During 1H15, the LCD Backlight Units segment sold 5.2 million (1H14: 3.6 million) backlight units for handsets and 7.6 million (1H14: 5.9 million) backlight units for gamesets. The segment revenue moderately rose by US\$2.8 million to US\$45.5 million in 1H15 (1H14: US\$42.7 million), as explained above. This segment managed to make an operating profit of US\$5.5 million in 1H15 (1H14: US\$4.3 million) at an operating margin of 12.0% (1H14: 10.2%), representing an improvement of 1.8% in operating margin.

Office Automation

The Office Automation segment continued to focus on products with reasonable margin. However, the segment suffered from a weak demand in Japan and the PRC and recorded a low level of sales at US\$9.2 million (1H14: US\$9.3 million) with a marginal operating profit of US\$0.1 million (1H14: Operating loss of US\$0.1 million) at an operating margin of 0.6% (1H14: Negative margin of 1.4%).

LCD Parts and Accessories

There was a drop in revenue of LCD Parts and Accessories segment by US\$4.1 million to US\$9.7 million in 1H15 (1H14: US\$13.8 million), mainly due to interruption caused by restructuring of production. The segment recorded an operating profit of US\$0.1 million in 1H15 (1H14: US\$0.5 million) at an operating margin of 1.1% (1H14: 3.8%).

Statement of Financial Position

Total assets and liabilities as at 30 June 2015 stood at US\$99.6 million (31 December 2014: US\$118.9 million) and US\$30.3 million (31 December 2014: US\$48.8 million) respectively.

Total current assets fell by US\$21.5 million over 1H15 to US\$86.9 million as at 30 June 2015 (31 December 2014: US\$108.4 million). The cash and bank balances decreased by US\$7.9 million as a result of repayment of bank borrowings, the settlement of trade payables, investment in associates and dividend paid in 1H15. Associated with lower sales in the first half of a year, trade receivables and inventories were substantially reduced by US\$10.4 million and US\$2.6 million respectively. There is no material change in the credit term to customers in general. Other receivables and prepayment mainly represented utility deposits, prepaid expenses and value-added tax recoverable. Included in loan and receivables was the funding to a third party under a secured trade finance arrangement at an interest rate of 1% per month to generate additional interest income. Held for trading investments represented listed equity investments held for trading.

Total non-current assets as at 30 June 2015 stood at US\$12.7 million (31 December 2014: US\$10.5 million). Included in property, plant and equipment was the newly purchased equipment amounting to US\$0.9 million during 1H15, which was netted off against the depreciation charge of US\$1.0 million for the same period. There was no material change in available-for-sales and held-to-maturity investments and other assets. Investment in associate represented the acquisition of 25% equity interest in Suzhou Pengfu Photoelectric Technology Co., Limited to secure the stable supply of a critical component known as ultra-thin light guide panel.

Total liabilities as at 30 June 2015 dropped to US\$30.3 million, representing a decrease of US\$18.5 million over 1H15 (31 December 2014: US\$48.8 million). During the period under review, the Group had a net settlement of bank borrowings amounting to US\$1.9 million. In addition, the Group did not enter into any finance lease arrangement.

The trade payables were reduced by US\$12.6 million to US\$10.5 million as at 30 June 2015 over 1H15 as a result of lower sales in the first half of a year. There was no material change in the credit terms offered by the Group's suppliers. Other payables and accruals, comprising accruals for expenses, wages payables and value added tax payables, decreased by US\$1.6 million to US\$5.2 million over the period under review. The decrease was mainly attributable to the lower wages payables in line with reduction in sales.

The income tax on profit for 1H15 was provided and adjusted under tax rules of different jurisdictions. Income tax charge net of payment of US\$4.2 million for 1H15 led to a reduction in income tax payable by US\$2.4 million to US\$0.1 million. The payment of income tax included the capital gain tax amounting to US\$0.5 million.

Included in the non-current liabilities are retirement benefit obligation for directors in the Group's subsidiaries in Japan and deferred tax liabilities. The non-current liabilities decreased by US\$1.5 million to US\$4.0 million over 1H15, mainly due to the repayment of the long-term bank borrowings.

Statement of Cash Flows

The Group generated net cash from operating activities amounting to US\$0.2 million for 1H15 (1H14: US\$7.0 million). The decrease in net cash from operating activities was mainly due to a non-cash adjustment in relation to the disposal of a subsidiary and the payment of income tax over 1H15.

For investing activities, there was a net cash used in investing activities amounting to US\$2.6 million (1H14: Net cash from investing activities amounting to US\$1.3 million) over 1H15, which was mainly attributable to the investment in an associates amounting to US\$2.4 million. During 1H15, the Group purchased property, plant and equipment amounting to US\$0.9 million (1H14: US\$0.3 million).

Net cash used in financing activities amounted to US\$5.3 million over 1H15 (1H14: Net cash from financing activities amounted to US\$0.4 million). The net cash used in financing activities mainly included the net repayment of bank loans amounting to US\$1.9 million during 1H15 (1H14: Net proceeds of bank loans amounting to US\$3.9 million) and the payment of FY2014 final dividend of US\$3.3 million (1H14: FY2013 final dividend of US\$3.3 million).

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Business Environment

The Group's key customer targets the growing high-end smartphone markets. Smartphone makers in the People's Republic of China ("PRC") play a dominant role in the high-end smartphone market which is subject to rapid market changes arising from the escalation of competition among manufacturers. In order to capture this high-growth market, the Group develops components for high-end smartphones and has strategically acquired a 25% equity interest in Suzhou Pengfu Photoelectric Technology Company Limited in order to secure a stable supply of ultra-thin light guide panels, which is a crucial part of ultra-thin backlight units.

The Group continues to regularly deploy more efficient production equipment and processes to improve productivity and, hence, its profitability. However, the Group's operations in the PRC has to also manage the challenges of persistently high inflation under a relatively strong Renminbi environment and increasing labour costs associated with tightening labour supply, which largely outweighs such productivity gains.

Business Segment Outlook

In the Backlight Units segment, our key customer has lost some of its market share of LCD modules used in high-end smartphones, to its competitor. It is due to its inadequacy in marketing and failure to keep up with the market changes which has led to the delay in the mass production of LCD modules with integrated capacitive multi-touch functionality till June this year, while its competitor has launched this new generation of LCD modules some time ago. As a result, the Group's Backlight Units segment has suffered from reduced orders in the high-end smartphone segment from the key customer in the third quarter. The orders for the fourth quarter and onwards will depend on how well the key customer's new generation of LCD modules will be received in the market.

The performance of the LCD Parts segment will improve in the fourth quarter after a restructuring of production facilities as part of efforts to increase production efficiency and minimise costs. The Office Automation segment on the other hand, continues to remain stable as customers place more orders for new products.

Managing Risks and Planning Ahead

The Group operates in a challenging business environment in which a large proportion of its business serves the consumer electronics industry which has a handful of mega-sized players. This industry is subject to frequent release of new products and rapid changes in technology in a globally competitive environment. In this challenging and volatile environment, the Group's research and development capabilities in precision components and sub-modules has played a vital role in securing customers' orders and retaining them over the years.

The Group's Backlight Unit segment has worked with a high technology company to develop a new generation of light guides that use different materials and production techniques. Although this new light guide, which offers the feature of flexibility and ultra-thin in thickness, is still under testing as at the date of this report, the Group is confident that this product will be launched in the fourth quarter. The backlight units with this new generation light guide may enable the Group to acquire orders from other LCD module manufacturers as well as the existing customers. For its other core business segments, the Group will continue to steadily enhance its product portfolio but this will take some time.

As mentioned in the previous results announcement, the Group will be making strategic investments in order to achieve a higher long-term return on equity to counter-balance the volatility of its current business. Based on the assessment of risks, these strategic investments can be broadly classified into three areas, namely, investments adding value to the core business; new businesses with different business cycles and growth prospects; and other financial investments of a small quantum.

11. Dividend

(a) Current Financial Period Reported On

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

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable

To be 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. 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 year 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	132	-
Total	132	-

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

14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

CDW Holding Limited

Business segment for the six months / half-year ended 30 June 2015

The Group is organized into four reportable operating segments as follows:

- i) LCD backlight units – Manufacturing of LCD backlight units for LCD module
- ii) Office automation – Manufacturing and trading of parts and precision accessories for office equipment and electrical appliances
- iii) LCD parts and accessories – Manufacturing and trading of parts and precision accessories for LCD module
- iv) Others – Performing other business including general trading and food and beverage business

	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	45,546	9,195	9,698	136	-	64,575
Inter-segment sales	-	1,095	28	-	(1,123)	-
Total revenue	45,546	10,290	9,726	136	(1,123)	64,575
<u>Results</u>						
Segment result	5,478	53	105	(35)		5,601
Share of results of associates	(13)	-	-	-		(13)
Reclassification adjustment arising from the disposal of a subsidiary						4,937
Unallocated corporate expense						(2,010)
Operating profit						8,515
Interest income						719
Interest expenses						(94)
Profit before income tax						9,140
Income tax expense						(1,659)
Profit after income tax						7,481
<u>Assets</u>						
Segment assets	49,361	14,874	30,895	277	(175)	95,232
Unallocated assets						4,350
Consolidated total assets						99,582
<u>Liabilities</u>						
Segment liabilities	7,574	2,593	5,426	37	(175)	15,455
Bank borrowings and obligation under finance leases						13,356
Unallocated liabilities						1,453
Consolidated total liabilities						30,264
<u>Other information</u>						
Capital expenditure	713	73	66	9		861
Depreciation of property, plant and equipment	345	160	489	-		994

Business segment for the six months / half-year ended 30 June 2014

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

Geographical Segment for the six months / half-year ended 30 June 2015 and 2014

	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	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Hong Kong	15,022	18,937	223	268	54	24
PRC	45,011	40,915	6,697	7,125	715	231
Japan	4,151	5,201	2,130	2,732	92	73
Others	391	712	-	-	-	-
Total	64,575	65,765	9,050	10,125	861	328

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 69.3% of the total revenue for the six months ended 30 June 2015 (six months ended 30 June 2014: 74.4%).

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8 for the factors leading to any material changes in contribution to revenue and earnings by business segments. In terms of geographical segments, the Group was generating revenue mainly in Hong Kong, the PRC and Japan. Revenue in Hong Kong, the PRC and Japan accounted for 23.3%, 69.7% and 6.4% of the total revenue respectively. Total revenue decrease by 1.8% to US\$64.6 million in the six months ended 30 June 2015 as compared to the corresponding period in the previous year.

As at 30 June 2015, non-current assets located in Hong Kong, the PRC and Japan accounted for 2.5%, 74.0% and 23.5% of the total non-current assets of the Group respectively. During the six months ended 30 June 2015, the Group invested a total capital expenditure of US\$0.9 million for the purchase of equipment in Hong Kong, the PRC and Japan, and it is mainly for replacement purposes.

16. A breakdown of sales

	Six months / half-year ended 30 June		
	2015 US\$'000	2014 US\$'000	% Increase/ (Decrease)
Sales reported for the first quarter	38,217	34,748	10.0%
Sales reported for the second quarter	26,358	31,017	15.0%
Operating profit after income tax for the first quarter	1,577	1,408	12.0%
Operating profit after income tax for the second quarter	5,904	1,780	231.7%

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Annual Dividend (in US\$'000)	Year ended 31 December 2014	Year ended 31 December 2013
Ordinary dividend		
- Interim	2,374	2,371
- Final	3,324	3,321
Total	5,698	5,692

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

We, Urano Koichi and Dy Mo Hua Cheung, Philip, being two directors of CDW Holding Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of the directors of the Company which may render the financial statements for the second quarter ended 30 June 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

URANO Koichi
Executive Director
14 August 2015

DY MO Hua Cheung, Philip
Executive Director