

Unaudited Third Quarter Financial Statements And Dividend Announcement for the Nine months / Third Quarter Ended 30 September 2014

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

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS For the periods ended 30 September 2014

	Note	Three months / third quarter ended 30 September			Nine months ended 30 September		
		2014 US\$'000	2013 US\$'000	% Increase/ (Decrease)	2014 US\$'000	2013 US\$'000	% Increase/ (Decrease)
Revenue		41,184	58,248	(29.3%)	106,949	127,102	(15.9%)
Cost of sales		(32,476)	(46,704)	(30.5%)	(83,723)	(98,763)	(15.2%)
Gross profit		8,708	11,544	(24.6%)	23,226	28,339	(18.0%)
Other operating income		712	2,449	(70.9%)	1,995	3,122	(36.1%)
Provisional gain on bargain purchase		-	-	-	-	1,494	N.M.*
Distribution expenses		(641)	(1,120)	(42.8%)	(1,664)	(2,267)	(26.6%)
Administrative expenses		(5,719)	(7,482)	(23.6%)	(16,387)	(19,318)	(15.2%)
Finance costs		(47)	(43)	9.3%	(131)	(146)	(10.3%)
Profit before income tax	(1)	3,013	5,348	(43.7%)	7,039	11,224	(37.3%)
Income tax expense		(994)	(1,829)	(45.7%)	(1,832)	(2,828)	(35.2%)
Profit after income tax		2,019	3,519	(42.6%)	5,207	8,396	(38.0%)
Profit attributable to:							
Owners of the Company		2,019	3,499	(42.3%)	5,208	8,384	(37.9%)
Non-controlling interests		-	20	N.M.*	(1)	12	(108.3%)
		2,019	3,519	(42.6%)	5,207	8,396	(38.0%)

* N.M.: Not meaningful.

Note (1)

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

	Three months / third quarter ended 30 September		Nine months ended 30 September	
	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000
Depreciation of property, plant and equipment	467	506	1,434	2,151
Interest income	(560)	(196)	(1,326)	(657)
Net foreign exchange (gain)/loss (Note a)	(58)	251	(103)	370
Allowance for inventories	3	(30)	194	97
Gain on change in fair value of derivative financial instruments	-	-	(88)	(37)
Net loss/(gain) on disposal of property, plant and equipment	7	(954)	12	(890)
Net gain on disposal of prepaid lease payments	-	(685)	-	(685)
Gain on redemption of available-for-sale investments	-	-	(393)	-

Note a: The foreign currency exchange gain for the nine months ended 30 September 2014 comprised mainly unrealised gain net of unrealised loss on translating monetary assets less monetary liabilities in foreign currencies, mainly United States dollars and Japanese yen, to functional currency at each Group entity, and realised gain net of realised loss on payments denominated in foreign currencies other than the functional currency in each Group entity.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the periods ended 30 September 2014

	Three months / third quarter ended 30 September			Nine months ended 30 September		
	2014 US\$'000	2013 US\$'000	% Increase/ (Decrease)	2014 US\$'000	2013 US\$'000	% Increase/ (Decrease)
Profit after income tax	2,019	3,519	(42.6%)	5,207	8,396	(38.0%)
Other comprehensive income:						
Reversal of deferred tax liability/(Deferred tax liability arising) on revaluation of available-for-sale investments	1	11	(90.9%)	(27)	(74)	(63.5%)
Exchange difference on translation of foreign operations	(736)	319	(330.7%)	(807)	(324)	149.1%
Available-for-sale investments: Fair value (loss)/gain arising during the periods	(3)	(31)	(90.3%)	75	205	(63.4%)
Reclassification adjustment for gain on disposal included in the consolidated statement of profit and loss	-	-	-	(393)	-	N.M.*
Other comprehensive (expense)/income for the periods, net of tax	(738)	299	(346.8%)	(1,152)	(193)	496.9%
Total comprehensive income for the periods, net of tax	1,281	3,818	(66.4%)	4,055	8,203	(50.6%)
Total comprehensive income attributable to:						
Owners of the Company	1,281	3,798	(66.3%)	4,056	8,191	(50.5%)
Non-controlling interests	-	20	N.M.*	(1)	12	(108.3%)
	1,281	3,818	(66.4%)	4,055	8,203	(50.6%)

* 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 September 2014

	The Group		The Company	
	As at 30 September 2014 US\$'000	As at 31 December 2013 US\$'000	As at 30 September 2014 US\$'000	As at 31 December 2013 US\$'000
ASSETS				
Current assets				
Cash and bank balances	59,083	51,546	302	630
Trade receivables	19,047	25,262	-	-
Other receivables and prepayments	6,717	6,251	23	24
Income tax recoverable	-	46	-	-
Inventories	11,433	11,839	-	-
Loans and receivables	1,741	1,894	-	-
Pledged bank deposit (Note b)	145	144	-	-
Total current assets	98,166	96,982	325	654
Non-current assets				
Available-for-sale investments	90	960	-	-
Held-to-maturity investment	980	980	-	-
Other assets	664	740	-	-
Amount due from a subsidiary	-	-	16,435	15,960
Property, plant and equipment	8,938	10,098	-	-
Subsidiaries	-	-	10,793	10,735
Total non-current assets	10,672	12,778	27,228	26,695
Total assets	108,838	109,760	27,553	27,349
LIABILITIES AND EQUITY				
Current liabilities				
Bank and other borrowings	6,524	3,330	-	-
Trade payables	20,480	23,456	-	-
Other payables and accruals	6,016	6,629	150	455
Derivative financial instruments	-	88	-	-
Current portion of obligation under finance leases	190	218	-	-
Income tax payable	1,342	2,064	-	-
Total current liabilities	34,552	35,785	150	455
Non-current liabilities				
Bank and other borrowings	5,087	3,263	-	-
Obligation under finance leases	220	356	-	-
Retirement benefit obligations	667	646	-	-
Deferred tax liabilities	827	723	-	-
Total non-current liabilities	6,801	4,988	-	-
Capital, reserves and non-controlling interests				
Issued capital	10,087	10,087	10,087	10,087
Reserves	57,388	58,848	17,316	16,807
Equity attributable to owners of the Company	67,475	68,935	27,403	26,894
Non-controlling interests	10	52	-	-
Total equity	67,485	68,987	27,403	26,894
Total liabilities and equity	108,838	109,760	27,553	27,349

Note b: As at 30 September 2014, the Group's bank deposit of approximately US\$145,000 (31 December 2013: US\$144,000) were pledged to financial institutions to secure banking facilities granted to the Group.

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

Amount repayable in one year or less, or on demand

	As at 30 September 2014		As at 31 December 2013	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Bank and other borrowings	-	6,524	-	3,330
Obligation under finance leases	190	-	218	-
Total	190	6,524	218	3,330

Amount repayable after one year

	As at 30 September 2014		As at 31 December 2013	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Bank and other borrowings	-	5,087	-	3,263
Obligation under finance leases	220	-	356	-
Total	220	5,087	356	3,263

Details of collateral

As at 30 September 2014, the Group's bank deposit of approximately US\$145,000 (31 December 2013: US\$144,000) was pledged to financial institutions to secure banking facilities granted to the Group. The carrying amount of the Group's property, plant and equipment includes an amount of US\$391,000 (31 December 2013: US\$1,150,000) in respect of assets held under finance leases which are secured by the lessor's title to the leased assets.

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

CONSOLIDATED STATEMENT OF CASH FLOWS				
For the periods ended 30 September 2014				
	The Group			
	Three months / third quarter ended 30 September		Nine months ended 30 September	
	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000
OPERATING ACTIVITIES				
Profit before income tax	3,013	5,348	7,039	11,224
Adjustments for				
Allowance for inventories	3	(30)	194	97
Depreciation of property, plant and equipment	467	506	1,434	2,151
Amortization of prepaid lease payments	-	1	-	7
Interest income	(560)	(196)	(1,326)	(657)
Interest expenses	47	43	131	146
Gain on redemption of available-for-sale investments	-	-	(393)	-
Net loss/(gain) on disposal of property, plant and equipment	7	(954)	12	(890)
Net gain on disposal of prepaid lease payments	-	(685)	-	(685)
Retirement benefit obligations	24	28	88	43
Provisional gain on bargain purchase	-	-	-	(1,494)
Gain on change in fair value of derivative financial instruments	-	-	(88)	(37)
Goodwill written off	-	-	16	-
Share-based payment expense	91	-	121	-
Net gain on disposal of investment securities	(56)	-	(56)	-
Operating cash flows before movements in working capital	3,036	4,061	7,172	9,905
Change in working capital:				
Trade receivables, other receivables and prepayments	(5,627)	(18,821)	5,748	(13,685)
Inventories	(1,925)	(2,853)	212	(4,944)
Trade payables, other payables and accruals	4,583	11,504	(3,589)	(636)
Cash generated from/(used in) operations	67	(6,109)	9,543	(9,360)
Net income tax paid	(74)	(765)	(2,405)	(4,836)
Interest paid	(47)	(43)	(131)	(146)
Retirement benefit obligations paid	-	6	(41)	(534)
Net cash (used in)/from operating activities	(54)	(6,911)	6,966	(14,876)
INVESTING ACTIVITIES				
Proceeds from disposal of property, plant and equipment	4	3,522	26	4,117
Increase in other assets	(2)	(18)	(45)	(30)
Additional investment in available-for-sale investments	(3)	(3)	(9)	(9)
Proceeds from redemption of available-for-sale investments	-	-	979	-
Purchase of property, plant and equipment (Note c)	(120)	(464)	(436)	(1,006)
Decrease in loans and receivables	257	4,991	151	4,991
Interest income received	560	196	1,326	657
Acquisition of a subsidiary (Note d)	-	-	-	376
Purchase of investment securities	(203)	-	(203)	-
Proceeds from disposal of investment securities	259	-	259	-
Net cash from investing activities	752	8,224	2,048	9,096
FINANCING ACTIVITIES				
Proceeds from share options exercised	-	-	-	819
Payment of share buy back	-	-	-	(10)
Proceeds from bank and other borrowings	3,751	4,263	16,099	9,861
Repayment of obligation under finance leases	(47)	(76)	(171)	(297)
Repayment of bank and other borrowings	(2,580)	(5,353)	(11,042)	(12,586)
Dividend paid	(2,374)	(2,371)	(5,695)	(5,692)
Net cash used in financing activities	(1,250)	(3,537)	(809)	(7,905)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(552)	(2,224)	8,205	(13,685)
NET EFFECT OF CURRENCY TRANSLATION DIFFERENCES	(604)	602	(668)	(655)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	60,239	40,534	51,546	53,252
CASH AND CASH EQUIVALENTS AT END OF PERIOD	59,083	38,912	59,083	38,912

Note c: During the nine months ended 30 September 2014, the Group acquired property, plant and equipment with aggregate cost of US\$448,000 (Nine months ended 30 September 2013: US\$1,006,000) of which US\$12,000 (Nine months ended 30 September 2013: Nil) was acquired by means of finance lease. Cash payment of US\$436,000 (Nine months ended 30 September 2013: US\$1,006,000) was made to purchase property, plant, and equipment.

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

	Group			
	Three months / third quarter ended 30 September		Nine months ended 30 September	
	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000
The assets and liabilities of a subsidiary acquired during the periods are as follows:				
Non-current assets	-	-	-	964
Current assets	-	-	-	1,628
Current liabilities	-	-	-	(881)
Net assets acquired	-	-	-	1,711
Provisional gain on bargain purchase	-	-	-	(1,494)
Total cost of acquisition	-	-	-	217
Net cash inflow arising on acquisition				
Cash consideration paid	-	-	-	217
Cash and cash equivalents acquired	-	-	-	(593)
Cash inflow on acquisition, net of cash and cash equivalents acquired	-	-	-	(376)

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

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

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve US\$'000	Treasury shares US\$'000	Share option reserve US\$'000	Merger reserve US\$'000	Reserve Fund US\$'000	Enterprise Expansion Fund US\$'000	Other Reserves US\$'000	Revaluation reserve US\$'000	Currency translation reserve US\$'000	Retained earnings US\$'000	Attributable to equity holders of the Company US\$'000	Attributable to non-controlling interests US\$'000	Total US\$'000
Balance as at 1 January 2014	10,087	18,994	(221)	(2,100)	-	(7,020)	6,656	327	1,187	377	12,681	27,967	68,935	52	68,987
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	31	(188)	1,411	1,254	(3)	1,251
Balance as at 31 March 2014	10,087	18,994	(221)	(2,100)	-	(7,020)	6,656	327	1,187	408	12,493	29,378	70,189	49	70,238
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(374)	117	1,778	1,521	2	1,523
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(3,321)	(3,321)	-	(3,321)
Treasury shares transferred out to satisfy the acquisition of non-controlling interests	-	-	19	39	-	-	-	-	-	-	-	-	58	-	58
Transferred out on acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(41)	(41)
Transfer	-	-	-	-	-	-	53	-	-	-	-	(53)	-	-	-
Share options granted	-	-	-	-	30	-	-	-	-	-	-	-	30	-	30
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
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(2)	(736)	2,019	1,281	-	1,281
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(2,374)	(2,374)	-	(2,374)
Transfer	-	-	-	-	-	-	63	1	1	-	-	(65)	-	-	-
Share options granted	-	-	-	-	91	-	-	-	-	-	-	-	91	-	91
Balance as at 30 September 2014	10,087	18,994	(202)	(2,061)	121	(7,020)	6,772	328	1,188	32	11,874	27,362	67,475	10	67,485

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 (continued).

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve US\$'000	Treasury shares US\$'000	Share option reserve US\$'000	Merger reserve US\$'000	Reserve Fund US\$'000	Enterprise Expansion Fund US\$'000	Other Reserves US\$'000	Revaluation reserve US\$'000	Currency translation reserve US\$'000	Retained earnings US\$'000	Attributable to equity holders of the Company US\$'000	Attributable to non-controlling interests US\$'000	Total US\$'000
Balance as at 1 January 2013	10,087	18,994	(15)	(3,115)	225	(7,020)	6,091	325	1,185	137	13,327	22,689	62,910	36	62,946
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	56	(877)	2,842	2,021	2	2,023
Shares purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(10)	-	-	-	-	-	-	-	-	(10)	-	(10)
Treasury shares transferred out to satisfy share options exercised	-	-	(21)	103	-	-	-	-	-	-	-	-	82	-	82
Transfer on share options exercised	-	-	-	-	(21)	-	-	-	-	-	-	21	-	-	-
Balance as at 31 March 2013	10,087	18,994	(36)	(3,022)	204	(7,020)	6,091	325	1,185	193	12,450	25,552	65,003	38	65,041
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	95	234	2,043	2,372	(10)	2,362
Treasury shares transferred out to satisfy share options exercised	-	-	(185)	922	-	-	-	-	-	-	-	-	737	-	737
Transfer on share options exercised	-	-	-	-	(184)	-	-	-	-	-	-	184	-	-	-
Transfer on share options lapsed	-	-	-	-	(20)	-	-	-	-	-	-	20	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(3,321)	(3,321)	-	(3,321)
Balance as at 30 June 2013	10,087	18,994	(221)	(2,100)	-	(7,020)	6,091	325	1,185	288	12,684	24,478	64,791	28	64,819
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(20)	319	3,499	3,798	20	3,818
Transfer	-	-	-	-	-	-	565	2	2	-	-	(569)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(2,371)	(2,371)	-	(2,371)
Balance as at 30 September 2013	10,087	18,994	(221)	(2,100)	-	(7,020)	6,656	327	1,187	268	13,003	25,037	66,218	48	66,266

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

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve US\$'000	Treasury shares US\$'000	Share option reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Balance as at 1 January 2014	10,087	18,994	(221)	(2,100)	-	134	26,894
Total comprehensive income for the period	-	-	-	-	-	3,366	3,366
Balance as at 31 March 2014	10,087	18,994	(221)	(2,100)	-	3,500	30,260
Total comprehensive income for the period	-	-	-	-	-	131	131
Dividend paid	-	-	-	-	-	(3,321)	(3,321)
Treasury shares transferred out to satisfy the acquisition of non-controlling interests	-	-	19	39	-	-	58
Share options granted	-	-	-	-	30	-	30
Balance as at 30 June 2014	10,087	18,994	(202)	(2,061)	30	310	27,158
Total comprehensive income for the period	-	-	-	-	-	2,528	2,528
Dividend paid	-	-	-	-	-	(2,374)	(2,374)
Share options granted	-	-	-	-	91	-	91
Balance as at 30 September 2014	10,087	18,994	(202)	(2,061)	121	464	27,403

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve US\$'000	Treasury shares US\$'000	Share option reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Balance as at 1 January 2013	10,087	18,994	(15)	(3,115)	225	247	26,423
Total comprehensive income for the period	-	-	-	-	-	(112)	(112)
Shares purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(10)	-	-	(10)
Treasury shares transferred out to satisfy share option exercised	-	-	(21)	103	-	-	82
Transfer on share options exercised	-	-	-	-	(21)	21	-
Balance as at 31 March 2013	10,087	18,994	(36)	(3,022)	204	156	26,383
Total comprehensive income for the period	-	-	-	-	-	3,501	3,501
Treasury shares transferred out to satisfy share option exercised	-	-	(185)	922	-	-	737
Transfer on share options exercised	-	-	-	-	(184)	184	-
Transfer on share options lapsed	-	-	-	-	(20)	20	-
Dividend paid	-	-	-	-	-	(3,321)	(3,321)
Balance as at 30 June 2013	10,087	18,994	(221)	(2,100)	-	540	27,300
Total comprehensive income for the period	-	-	-	-	-	2,310	2,310
Dividend paid	-	-	-	-	-	(2,371)	(2,371)
Balance as at 30 September 2013	10,087	18,994	(221)	(2,100)	-	479	27,239

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

Share Capital

As at 31 December 2013, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 474,362,221 ordinary shares (excluding treasury shares) and 29,992,000 treasury shares.

During the first quarter ended 31 March 2014, the Company did not purchase any ordinary share under the share purchase mandate. Also, the Company did not transfer out any treasury shares under the Company's Employee Share Option Scheme as there were no outstanding share options. As at 31 March 2014, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 474,362,221 ordinary shares (excluding treasury shares) and 29,992,000 treasury shares.

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

During the third quarter ended 30 September 2014, the Company did not purchase any ordinary share under the share purchase mandate. Also, the company did not transfer out any treasury shares under the Company's Employee Share Option Scheme as there were no outstanding share options. As at 30 September 2014, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 474,914,221 ordinary shares (excluding treasury shares), and 29,440,000 treasury shares.

Treasury shares

	The Company			
	2014		2013	
	Number of shares	US\$'000	Number of shares	US\$'000
Balance as at 1 January	29,992,000	2,100	44,512,000	3,115
Purchased during the first quarter ended 31 March	-	-	120,000	10
Transferred during the first quarter ended 31 March	-	-	(1,464,000)	(103)
Transferred during the second quarter ended 30 June	(552,000)	(39)	(13,176,000)	(922)
Balance as at 30 September	<u>29,440,000</u>	<u>2,061</u>	<u>29,992,000</u>	<u>2,100</u>

Share Options

On 11 June 2008, the Chief Executive Officer of the Company proposed to grant options to four executive directors and eight senior executives to subscribe for a total of 19,032,000 ordinary share of US\$0.02 each in the capital of the Company. This proposal was adopted by the Remuneration Committee and options granted were accepted by the participants in June 2008. The option will be exercisable at S\$0.07 per share with an exercise period commencing from 11 June 2009 to 10 June 2013 (both days inclusive). During the quarter ended 31 March 2012, 1,464,000 unexercised share options were lapsed on the ground that the employee left the Group. 1,464,000 share options were exercised in each of the quarters ended 30 September 2012 and 31 March 2013, and further 13,176,000 share options were exercised in the quarter ended 30 June 2013 under the Company's Employee Share Option Scheme. 1,464,000 unexercised share options were lapsed and cancelled on 10 June 2013 at the expiry of the share options.

On 30 May 2014, the Chief Executive Officers of the Company proposed to grant options to eight directors and thirteen 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 2014 to 29 May 2019 (both days inclusive).

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

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

	The Company	
	As at 30 September 2014	As at 31 December 2013
Issued shares	504,354,221	504,354,221
Less: Treasury shares	(29,440,000)	(29,992,000)
Total number of issued shares excluding treasury shares	<u>474,914,221</u>	<u>474,362,221</u>

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

During the nine months ended 30 September 2014, a total of 552,000 treasury shares were transferred out to satisfy the acquisition of non-controlling interests in a subsidiary. Except for this transfer, 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 2013 except for the adoption of the new and revised International Financial Reporting Standards which came into effect this financial year from 1 January 2014. The adoption of these new accounting policies did not give rise to any significant change to the financial statements.

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

Not applicable.

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

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

	Three months / third quarter ended 30 September		Nine months ended 30 September	
	2014	2013	2014	2013
Based on weighted average number of ordinary shares in issue (US cents)				
- Basic	0.43	0.74	1.10	1.79
- Fully diluted (Note e)	0.42	-	1.09	1.78
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (Note f)	474,914,221	474,362,221	474,596,770	468,341,737
Effect of dilutive share options	4,702,648	-	2,002,937	3,404,180
Weighted average number of ordinary shares for the purpose of diluted earnings per ordinary share	<u>479,616,869</u>	<u>474,362,221</u>	<u>476,599,707</u>	<u>471,745,917</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 September 2014.

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

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

	30 September 2014	31 December 2013
Net asset value per ordinary share, excluding treasury shares (US cents)		
- The Group	14.21	14.54
- The Company	5.77	5.67

The calculation of the net asset value per ordinary share was based on total number of 474,914,221 (31 December 2013: 474,362,221) ordinary shares (excluding treasury shares).

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

Income Statement

During the first nine months of current year under review ("9M14"), the Group recorded a decrease of US\$20.2 million in revenue to US\$106.9 million as compared to the revenue of US\$127.1 million in the corresponding period in the previous financial year 2013 ("9M13"). The Group's gross profit for 9M14 reduced by US\$5.1 million or 18.0% to US\$23.2 million from US\$28.3 for 9M13. The gross profit margin also fell to 21.7% in 9M14 as compared to 22.3% in 9M2013. The reasons for the decrease in revenue and the gross profit margin were stated below.

Other income included the gain on redemption of available-for-sale investments amounting to US\$0.4 million. Distribution expenses for 9M14 fell by 26.6% to US\$1.7 million (9M13: US\$2.3 million). The decrease was in line with the decline in the Group's revenue. Attributable to the closure of operation in Suzhou and cost

control measure, administrative expenses were trimmed by US\$2.9 million to US\$16.4 million in 9M14 (9M13: US\$19.3 million). Finance cost was US\$0.1 million in 9M14 and remained at a low level under the Group's low gearing policy. Income tax expense was reduced by US\$1.0 million to US\$1.8 million over 9M14 (9M13: US\$2.8 million). In the absence of gain on bargain purchase recorded in 9M13, and with the drop in revenue. The Group's pre-tax profit and after-tax profit dropped by US\$4.2 million and US\$3.2 for 9M14 to US\$7.0 million (9M13: US\$11.2 million) and US\$5.2 million (9M13: US\$8.4 million).

LCD Backlight Units

LCD Backlight Units segment's sales, comprising more than half of the Group's sales, was down by 20.1% to US\$69.6 million in 9M14 (9M13: US\$87.1 million). Orders from customer dropped as a result of the termination of some old products in gameset and a shortage of a key part for ultra-thin backlight unit due to production difficulty. In order to ensure a stable supply of this key part, the Group intends to invest in a supplier by means of equity investment to expand the supplier's production capacity which is solely for the Group's production need. During 9M14, the Group sold 6.0 million backlight units for handsets (9M13: 6.1 million) and 12.0 million backlight units for gamesets (9M13: 22.7 million).

During 9M14, the Group sold more bigger size LCD backlight units which are with higher proportion of material costs and this product mix subdued the profit margin. As such, the Group recorded an operating profit of US\$7.2 million (9M13: US\$11.4 million) at an operating margin of 10.4% (9M13: 13.1%), representing a 2.7% decline in operating margin.

Office Automation

Sales in the Office Automation segment were affected by weak demand in Japan and the PRC. In 9M14, it recorded a slight decrease in revenue by US\$0.1 million to US\$17.0 million (9M13: US\$17.1 million). With agreement with customers to cease production of loss-making parts, this segment recorded an operating profit of US\$0.1 million (9M13: Operating loss of US\$0.3 million) and at an improved operating margin of 0.4% (9M13: Negative margin of 1.6%).

LCD Parts and Accessories

There was a drop in revenue of LCD Parts and Accessories segment by US\$2.4 million to US\$20.4 million in 9M14 (9M13: US\$22.8 million). The segment recorded an operating profit of US\$0.9 million (9M13: US\$0.1 million) at an operating margin of 4.2% (9M13: 0.3%). The improvement in performance was mainly due to the introduction of new products for smart phones during the period under review.

Statement of Financial Position

Total assets and liabilities as at 30 September 2014 stood at US\$108.8 million (31 December 2013: US\$109.8 million) and US\$41.4 million (31 December 2013: US\$40.8 million) respectively.

Total current assets rose by US\$1.2 million over 9M14 to US\$98.2 million as at 30 September 2014 (31 December 2013: US\$97.0 million). The increase in cash and bank balances was associated with the excessive cash released from the reduction in the Group's working capital and the increase in the net proceeds of bank loans. Inventories remained at a reasonable level with sufficient quantity to fulfill customer orders. In line with the decline in revenue, the trade receivables decreased by US\$6.2 million over 9M14 to US\$19.0 million as at 30 September 2014. There is no material change in the credit terms to customers in general. Other receivables mainly represented utility deposits, prepaid expenses, value-added tax recoverable and advances to a research and development project as a new business to the Group. Included in loans and receivables is the loan to third party for generating higher interest income.

Total non-current assets as at 30 September 2014 stood at US\$10.7 million (31 December 2013: US\$12.8 million). Included in property, plant and equipment was the newly purchased equipment amounting to US\$0.4 million, which was netted off against the depreciation charge of US\$1.4 million for 9M14. Also, with the redemption of an investment, the available-for-sale investments dropped by US\$0.9 million over 9M14 to US\$0.1 million as at 30 September 2014.

Total liabilities as at 30 September 2014 were up to US\$41.4 million, representing an increase of US\$0.6 million over 9M14 (31 December 2013: US\$40.8 million). During 9M14, the Group redrew new bank loans and other borrowings amounting to US\$16.1 million while settled bank loans and other borrowings amounting to US\$11.0 million. The total amount of bank and other borrowings were increased by US\$5.0 million to US\$11.6 million as at 30 September 2014. In order to take the advantage of low interest environment, the new bank loans are of long-term nature and at fixed interest rate.

The trade payable was reduced by US\$3.0 million over 9M14 to US\$20.5 million as at 30 September 2014 (31 December 2013: US\$23.5 million). It was consistent with the decline in revenue as explained above. There was no material change in the credit terms offered by the Group's suppliers.

The income tax on profit for 9M14 was provided and adjusted under tax rules of different jurisdiction.

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

Statement of Cash Flows

The Group generated net cash from operating activities amounting to US\$7.0 million for 9M14 (9M13: net cash used in operating activities amounting to US\$14.9 million). The improvement in net cash from operating activities was mainly attributable to the decrease in working capital associated with the revenue at low level for 9M14.

For investing activities, there was a net cash inflow of US\$2.0 million over 9M2014 (9M13: US\$9.1 million). The net cash from investing activities were mainly attributable to the receipt from the redemption of available-for-sale investments and receipt of interest income. During 9M14, the Group purchased property, plant and equipment amounting to US\$0.4 million (9M13: US\$1.0 million).

For financing activities, there was a net cash outflow of US\$0.8 million over 9M14 (9M13: US\$7.9 million). The financing activities mainly included the net proceeds of bank loans amounting to US\$5.1 million during 9M14 (9M13: Net repayment of bank loans of US\$2.7 million) and the payment of FY2013 final dividends of US\$3.3 million and FY2014 interim dividends of US\$2.4 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 industry in which the Group is operating is highly competitive. As the Group's production facilities are located in the PRC, the Group is facing persistent inflation and increasing labour cost associated with tightening labour supply. These unfavourable effects have outweighed the productivity gain from Management's deployment of more efficient production equipment and processes.

In the first half of the current financial year ("FY2014"), the Group experienced a general slowdown in customer orders. Even though Management has secured orders of new models of ultra-thin backlight units from customers in the second half of FY2014, the production has been seriously affected by the shortage of a key part due to production difficulty.

Business segment outlook

The LCD Backlight Units segment suffers from slowdown in sales orders of phased-out old models. It is the market trend that LCD backlight units for smart phones and tablets will dominate this segment. Such bigger size of LCD backlight units, albeit with higher average selling price, would lead to a lower profit margin compared to small size LCD backlight units as bigger size LCD backlight units require a higher proportion of materials. This trend is expected to persist in the foreseeable future. Volume orders of new models have been secured for the second half of FY2014, and Management continues to explore new customers in the PRC. For ultra-thin backlight units, the shortage of a key part due to production difficulty has affected the production and reduced the sales to the Group's key customer. In order to secure a stable supply of this key part, Management is negotiating an equity investment in a supplier to expand its production capacity with output solely for the Group's use. This investment will be approximately US\$2.5 million, and the supply of the key part will pick up as soon as the facilities are installed.

Contending against the weak and sluggish demand in the LCD Parts and Accessories, Management has secured orders of parts for tablets and super-thin, lightweight notebooks which maintain the segment's profitability.

The Office Automation segment managed to have new orders for new products, along with eliminating the loss-making products and increasing selling price of existing products to the Group's customers, gradually improving performance.

Managing risks

Frequent release of new models or introduction of new products in advance of other players is a competitive advantage in the consumer electronic industry. As such, Management takes the benefit of the Group's research and development capability to meet the demand of customers, particularly new customers in the PRC, to shorten the development cycle for new models or products. This effort is to diversify the Group's customer base in the consumer electronic industry as well as in other industries which require the Group's technical and production know-how, since Management views the high reliance on a key customer to be the major risk of the Group.

For the Group's core business, Management continues to focus on its profitability through minimising operating expenses by regular reviews of operating costs, production process re-engineering and active inventory management. For any non-core business, Management actively explores investment opportunities in new business segments with stable income and business growth in order to improve the earning quality.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared for the current financial period.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for IPTs. The IPTs for the nine months ended 30 September 2014 are as follows:

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Name of interested person	US\$'000	US\$'000
Mr YOSHIMI Kunikazu - Advisory fee	185	-
Total	185	-

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 nine months ended 30 September 2014

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

- i) LCD backlight units – Manufacturing of LCD backlight units for LCD module
- ii) Office automation – Manufacturing and trading of parts and precision accessories for office equipment and electrical appliances
- iii) LCD parts and accessories – Manufacturing and trading of parts and precision accessories for LCD module

	LCD backlight units	Office automation	LCD parts and accessories	Eliminations	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>Revenue</u>					
External sales	69,614	16,959	20,376	-	106,949
Inter-segment sales	-	715	179	(894)	-
Total revenue	69,614	17,674	20,555	(894)	106,949
<u>Results</u>					
Segment result	7,243	66	858		8,167
Unallocated corporate expense					(2,323)
Operating profit					5,844
Interest income					1,326
Interest expenses					(131)
Profit before income tax					7,039
Income tax expense					(1,832)
Profit after income tax					5,207
<u>Assets</u>					
Segment assets	46,123	17,651	42,158	(723)	105,209
Unallocated assets					3,629
Consolidated total assets					108,838
<u>Liabilities</u>					
Segment liabilities	14,165	3,669	9,242	(723)	26,353
Bank and other borrowings and obligation under finance leases					12,021
Unallocated liabilities					2,979
Consolidated total liabilities					41,353
<u>Other information</u>					
Capital expenditure	92	87	269		448
Depreciation of property, plant and equipment	425	253	756		1,434

Business segment for the nine months ended 30 September 2013

	LCD backlight units	Office automation	LCD parts and accessories	Eliminations	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>Revenue</u>					
External sales	87,112	17,141	22,849	-	127,102
Inter-segment sales	-	927	2,149	(3,076)	-
Total revenue	87,112	18,068	24,998	(3,076)	127,102
<u>Results</u>					
Segment result	11,405	(273)	66		11,198
Provision gain on bargain purchase					1,494
Unallocated corporate expense					(1,979)
Operating profit					10,713
Interest income					657
Interest expenses					(146)
Profit before income tax					11,224
Income tax expense					(2,828)
Profit after income tax					8,396
<u>Assets</u>					
Segment assets	59,913	16,886	37,669	(979)	113,489
Unallocated assets					2,864
Consolidated total assets					116,353
<u>Liabilities</u>					
Segment liabilities	19,041	4,627	15,622	(979)	38,311
Bank and other borrowings and obligation under finance leases					8,032
Unallocated liabilities					3,744
Consolidated total liabilities					50,087
<u>Other information</u>					
Capital expenditure	432	116	458		1,006
Depreciation of property, plant and equipment	363	302	1,486		2,151

Geographical Segment for the nine months ended 30 September 2014 and 2013

	Turnover		Non-Current Assets		Capital Expenditure	
	Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September	
	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000
Hong Kong	27,360	36,553	248	202	28	57
PRC	69,813	78,128	6,500	8,124	306	945
Japan	8,729	8,735	2,702	2,960	114	4
Others	1,047	3,686	-	-	-	-
Total	106,949	127,102	9,450	11,286	448	1,006

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 71.5% of the total revenue for the nine months end 30 September 2014 (Nine months ended 30 September 2013: 77.3%).

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

Please refer to paragraph 8 for the factors leading to any material changes in contribution to revenue and earnings by business segments. In terms of geographical segments, the Group was generating revenue mainly in Hong Kong, the PRC and Japan. Revenue in Hong Kong, the PRC and Japan accounted for 25.6%, 65.3% and 8.2% of the total revenue respectively. Total revenue decreased by 15.9% to US\$106.9 million in the nine months ended 30 September 2014 as compared to the corresponding period in the previous year.

As at 30 September 2014, non-current assets located in Hong Kong, the PRC and Japan accounted for 2.6%, 68.8% and 28.6% of the total non-current assets of the Group respectively. During the nine months ended 30 September 2014, the Group invested a total capital expenditure of US\$0.4 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

	Nine months ended 30 September		
	2014 US\$'000	2013 US\$'000	% Increase/ (Decrease)
Sales reported for the first quarter	34,748	34,080	2.0%
Sales reported for the second quarter	31,017	34,774	(10.8%)
Sales reported for the third quarter	41,184	58,248	(29.3%)
Operating profit after income tax for the first quarter	1,408	2,844	(50.5%)
Operating profit after income tax for the second quarter	1,780	2,033	(12.4%)
Operating profit after income tax for the third quarter	2,019	3,519	(42.6%)

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

Annual Dividend (in US\$'000)	Year ended 31 December 2013	Year ended 31 December 2012
Ordinary dividend		
- Interim	2,371	2,351
- Final	3,321	3,321
Total	5,692	5,672

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

We, Urano Koichi and Dy Mo Hua Cheung, Philip, being two directors of CDW Holding Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of the directors of the Company which may render the financial statements for the nine months / third quarter ended 30 September 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

URANO Koichi
Executive Director
14 November 2014

DY MO Hua Cheung, Philip
Executive Director