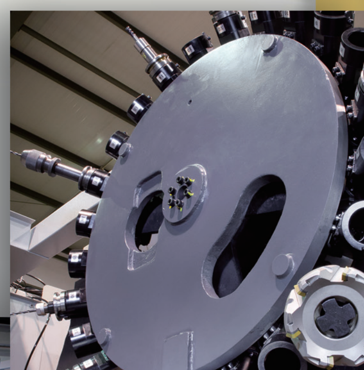
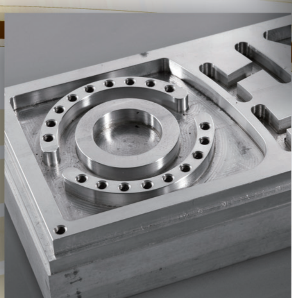
CW GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code : 1322





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Interim Report

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CHAIRMAN'S STATEMENT

Dear Shareholders,

Following our listing on the Main Board of the Stock Exchange of Hong Kong Limited on 13 April 2012, I am pleased to present the Group's first interim report for the six months ended 30 June 2012.

In the first half of 2012, the global economy continued to be affected by the euro zone sovereign debt crisis and difficult market conditions. Amidst the difficult and volatile conditions, we continued to focus on our key business segments and markets. Our overall revenue increased by 17.7% to approximately HK$399.2 million (1H2011: approximately HK$339.1 million). The increase was mainly attributed to the increased contributions from projects in Singapore and new market entrance in Indonesia and India, including the aviation manufacturing, automotive and precision engineering sectors. The overall gross margin also improved from 24.8% to 25.9%.

Our ongoing strategic collaboration with DMPG on the collaborative production of key components for Computer Numeric Control ("CNC") horizontal machining centres have positioned the Group to target the high-end segment of the precision engineering market in the PRC and other emerging markets via original equipment manufacturing projects.

We remain cautiously optimistic of our target industries such as the aviation manufacturing industry. The Group anticipates that there will be greater demand for precision engineering solutions projects, higher-end CNC machining centres as well as machine tools due to the rapid evolution in aircraft designs, the consolidation of large domestic airlines in the PRC as well as the Singapore government's initiative in developing the aviation manufacturing industry.

In spite of the challenges amidst the uncertainty from the continuing euro zone sovereign debt crisis and the generally more volatile macroeconomic conditions, there are also opportunities around us. Increasingly, we see more manufacturers, in particular those from Europe, partner with one-stop solution providers such as ourselves to establish customised assembly production lines. We are also diligently exploring other exciting opportunities to sustain our growth and create greater value and better returns to the shareholders of the Company.

I would like to take this opportunity to express our heartfelt appreciation to business partners and customers for their enormous support to the Group over the years. In addition, I am also grateful to our employees for their commitment and dedication, which were instrumental to the Group's successful listing.

Yours faithfully,
Wong Koon Lup
Chairman & Chief Executive Officer

Singapore, 17 September 2012

EXECUTIVE DIRECTORS

Mr. Wong Koon Lup *(Chairman and Chief Executive Officer)*
Mr. Lim Chwee Heng
Mr. Wong Mun Sum

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kuan Cheng Tuck
Mr. Ong Su Aun, Jeffrey (Wang Ci'An, Jeffrey)
Mr. Chan Hon Chung, Johnny

COMPANY SECRETARY

Dr. Leung Wai Cheung
(resigned with effect from 1 June 2012)
Mr. Chan Kam Fuk
(appointed with effect from 1 June 2012)

AUDIT COMMITTEE

Mr. Kuan Cheng Tuck *(Chairman)*
Mr. Ong Su Aun, Jeffrey (Wang Ci'An, Jeffrey)
Mr. Chan Hon Chung, Johnny

NOMINATION COMMITTEE

Mr. Ong Su Aun, Jeffrey (Wang Ci'An, Jeffrey) *(Chairman)*
Mr. Kuan Cheng Tuck
Mr. Wong Koon Lup

REMUNERATION COMMITTEE

Mr. Chan Hon Chung, Johnny *(Chairman)*
Mr. Ong Su Aun, Jeffrey (Wang Ci'An, Jeffrey)
Mr. Wong Koon Lup

AUTHORISED REPRESENTATIVES

Mr. Wong Koon Lup
Dr. Leung Wai Cheung
(resigned with effect from 1 June 2012)
Mr. Chan Kam Fuk
(appointed with effect from 1 June 2012)

COMPLIANCE ADVISER

Guotai Junan Capital Limited

HONG KONG LEGAL ADVISERS

Li & Partners

REGISTERED OFFICE

Appleby Trust (Cayman) Ltd.
Clifton House
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Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

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Singapore 339505

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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Wanchai
Hong Kong

AUDITORS

Ernst & Young
Certified Public Accountants
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1 Tim Mei Avenue, Central
Hong Kong

IR AND PR CONSULTANT

Strategic Financial Relations Limited

COMPANY WEBSITE

www.cwgroup-int.com

STOCK CODE

1322

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2012	2011	Increase/
	(Unaudited)	(Unaudited)	(Decrease)
	HK$'000	*HK$'000*	
Revenue	**399,236**	339,095	17.7%
Cost of sales	**(295,910)**	(255,044)	16.0%
Gross profit	**103,326**	84,051	22.9%
Gross profit margin	**25.9%**	24.8%	1.1%
Net profit for the period			
– before deduction of Listing expenses	**25,832**	25,788	0.2%
– after deduction of Listing expenses	**211**	25,788	(99.2%)

The board (the "Board") of directors (the "Directors" and each a "Director") of CW Group Holdings Limited (the "Company") is pleased to announce the interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2012 (the "Reporting Period" or the "period under review").

The interim results and the unaudited condensed consolidated interim financial statements of the Group for the Reporting Period, after review by the audit committee of the Company (the "Audit Committee"), was approved by the Board on 30 August 2012.

Revenue for the Reporting Period reached approximately HK$399.2 million, representing an increase of 17.7% over the corresponding period last year.

Before the recognition of expenses relating to the listing of shares of the Company (the "Listing") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Group recorded a profit of approximately HK$25.8 million for the Reporting Period which is comparable to that of the corresponding period in 2011. After deduction of non-recurring Listing expenses which amounted to approximately HK$25.6 million for the Reporting Period (six months ended 30 June 2011: nil), the net profit attributable to the owners of the Company became approximately HK$0.2 million for the Reporting Period.

For the six months ended 30 June 2012, earnings per share was HK0.04 cents.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2012, revenue of the Group reached approximately HK$399.2 million, representing an increase of approximately HK$60.1 million or 17.7% from approximately HK$339.1 million for the corresponding period last year. Set out below is a breakdown of our revenue by our five business segments:

	Six months ended 30 June			
	2012		2011	
	HK$'000	**%**	*HK$'000*	%
	(unaudited)		(unaudited)	
Precision engineering solutions projects	**213,117**	**53.4**	150,507	44.4
Sales of cement production equipment	**51,171**	**12.8**	60,354	17.8
Sales of CNC machining centres	**24,434**	**6.1**	26,231	7.7
Sales of components and parts	**87,794**	**22.0**	84,203	24.8
After-sales technical support services	**22,720**	**5.7**	17,800	5.2
Total	**399,236**	**100.0**	339,095	100.0

Revenue from precision engineering solutions projects relates primarily to the provision of precision engineering solutions specific to machine tools and machinery and equipment encompassing their conceptualisation and design to production line set-up, commissioning and maintenance of production lines. For the six months ended 30 June 2012 and 2011, approximately 53.4% and 44.4% of our total revenue was derived from precision engineering solutions projects respectively. This is in line with the Group's strategy to focus more on precision engineering solutions projects.

Revenue from sales of cement production equipment relates primarily to the sale of equipment (rotor weighfeeders and clinker coolers) for the construction materials industry. For the six months ended 30 June 2012 and 2011, approximately 12.8% and 17.8% of our total revenue was derived from sales of cement production equipment respectively. This decrease in contribution was due primarily to the stabilisation of demand from customers in the construction materials industry following heightened demand in 2009 and 2010.

Revenue from sales of CNC machining centres primarily relates to sales of precision engineering manufacturing equipment operable under CNC automation. Revenue from sales of CNC machining centres remained comparable with contributions to our total revenue of approximately 22.0% and 24.8% for the six months ended 30 June 2012 and 2011 respectively.

Revenue from sales of components and parts relates primarily to sales of self-manufactured and trading of components and parts. Revenue from this business segment remained comparable with contributions to our total revenue of approximately 6.1% and 7.7% for the six months ended 30 June 2012 and 2011 respectively.

Revenue from after-sales technical support services relates primarily to the provision of technical repairs and maintenance services in relation to our Group's other business segments. Revenue from this business segment remained comparable with contributions to our total revenue of approximately 5.7% and 5.2% for the six months ended 30 June 2012 and 2011 respectively.

Cost of Sales

The costs of sales of our Group accounted for approximately 74.1% and 75.2% of our revenue during the six months ended 30 June 2012 and 2011 respectively. Our cost of sales comprises primarily of (i) cost of goods sold, (ii) direct labour costs, and (iii) direct depreciation expenses, which are costs incurred directly in relation to our revenue. Factors affecting our cost of sales include: (a) prices and availability of raw materials such as cast iron; and (b) salaries and related expenses of our engineers and skilled labourers.

The following table sets forth the major components of our cost of sales:

	Six months ended 30 June			
	2012		2011	
	HK$'000	***%***	*HK$'000*	*%*
	(unaudited)		(unaudited)	
Cost of goods sold	**291,417**	**98.5**	251,078	98.5
Direct labour costs	**3,626**	**1.2**	2,909	1.1
Direct depreciation expenses	**867**	**0.3**	1,057	0.4
Total	**295,910**	**100.0**	255,044	100.0

For both of the six months ended 30 June 2012 and 2011, cost of goods sold accounted for approximately 98.5% of our Group's total cost of sales. Our Group's cost of goods sold comprises primarily of material costs, sub-contractor costs, inbound freight and handling costs, of which material costs accounted for approximately 98.6% and 98.0% of our cost of goods sold for the six months ended 30 June 2012 and 2011 respectively. Material costs comprises primarily of CNC machining centres, industrial equipment, components and parts, cast iron, casting, sheet metal, electric box, ball screw, spindle, controller and tool changers from suppliers located worldwide including Europe, Japan, PRC, Singapore, Taiwan and United States of America. The increase in cost of goods sold was in line with the increase in revenue.

Direct labour costs comprises salaries and related costs for engineers as well as production and assembly staff. During the six months ended 30 June 2012 and 2011, direct labour costs accounted for approximately 1.2% and 1.1% of our Group's total cost of sales respectively. The slight increase in absolute amount was due primarily to wage increments and increased work hours to meet the higher business activities.

Direct depreciation expenses accounted for approximately 0.3% and 0.4% of our Group's total cost of sales for the six months ended 30 June 2012 and 2011 respectively. Direct depreciation expenses comprises depreciation charges on production related equipment. The slight decrease in absolute amount was primarily attributable to disposal of plant and equipment as well as depreciation charges.

Gross Profit and Gross Profit Margin

Our gross profit was approximately HK$103.3 million representing an increase of 22.9%. This was contributed primarily by the increase in revenue brought by our precision engineering solutions projects which recorded a corresponding increase in gross profit. The increase was partly offset by a decrease in gross profit from our sales of cement production equipment.

The business of our Group comprises five segments and the higher overall gross profit margin was attributable primarily to the precision engineering solutions segment partly offset by the after-sales technical support services.

As a combined result of the factors described above, our gross profit margin for the six months ended 30 June 2012 increased from approximately 24.8% for the six months ended 30 June 2011 to approximately 25.9%.

Other Income and Gains

The other income of our Group amounted to approximately HK$2.4 million and HK$1.0 million for the six months ended 30 June 2012 and 2011 respectively. The increase was due primarily to the gain from disposal of plant and equipment.

Selling and Distribution Expenses

Selling and distribution expenses refers to the expenses incurred for the promotion and sale of products. This comprises primarily of salaries and related costs for sales and marketing staff, travelling and transportation costs, outbound freight and handling costs, commissions and marketing expenses and maintenance costs of equipment. Selling and distribution expenses was approximately HK$13.2 million and HK$12.5 million or approximately 3.3% and 3.7% of revenue for the six months ended 30 June 2012 and 2011 respectively.

The increase in our selling and distribution expenses was generally in line with the increase in our revenue.

Administrative Expenses

Administrative expenses comprises primarily of salaries and related costs for key management, finance and administration staff, rental expenses, depreciation, audit fees and Listing expenses in relation to the professional and related costs incurred in the listing application to the Stock Exchange.

The administrative expenses of the Group increased from approximately HK$14.2 million for the six months ended 30 June 2011 to approximately HK$44.0 million for the six months ended 30 June 2012. This was primarily due to the Listing expenses of approximately HK$25.6 million in connection with the global offering of the Company's shares which was included in administrative expenses in accordance with accounting standards.

Finance Costs

Our Group's finance costs comprises interest on bank loans, bank and other finance charges, interest on finance leases and amortized interest and fair value change of redeemable convertible loan. Our finance costs increased by approximately HK$15.0 million from about HK$11.4 million for the six months ended 30 June 2011 to about HK$26.4 million for the six months ended 30 June 2012. The increase was largely attributable to a fair value loss on redeemable convertible loan recorded when this was fully converted into shares of the Company in March 2012 prior to the Listing in accordance with accounting standards. Such increase was partly offset by the decrease in interest on the redeemable convertible loan as it was fully amortized in 2011 and hence non-recurring for the six months ended 30 June 2012.

Income Tax Expense

Our income tax expense amounted to approximately HK$15.6 million and HK$11.7 million for the six months ended 30 June 2012 and 2011 respectively. The increase was attributable primarily to higher taxable profit recorded for the six months ended 30 June 2012. Our effective tax rate was 98.7% and 31.2% for the six months ended 30 June 2012 and 2011 respectively. The significant increase is largely due to the Listing expenses in connection with the global offering of the Company's shares and fair value loss on redeemable convertible loan recorded when this was fully converted into shares of the Company in March 2012 which are non-deductible for tax purposes.

Profit for the Reporting Period and Net Profit Margin

Before the recognition of expenses relating to the Listing on the Stock Exchange, the Group recorded a profit of approximately HK$25.8 million for the Reporting Period which is comparable to that of the corresponding period in 2011 of approximately HK$25.8 million. After deduction of non-recurring Listing expenses which amounted to approximately HK$25.6 million for the Reporting Period (six months ended 30 June 2011: nil), the net profit attributable to the owners of the Company became approximately HK$0.2 million for the Reporting Period.

Correspondingly, net profit margin for the six months ended 30 June 2012 decreased from approximately 7.6% for the six months ended 30 June 2011 to 0.1%.

Financial Resources and Liquidity

Our current assets comprises cash and bank balances, trade receivables, other receivables and inventories. Our total current assets amounted to approximately HK$1,094.6 million and HK$774.8 million as at 30 June 2012 and 31 December 2011 respectively, and represented approximately 93.2% and 91.9% of our total assets as at 30 June 2012 and 31 December 2011 respectively.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

Our cash and bank balances amounted to approximately HK$97.4 million and HK$38.8 million as at 30 June 2012 and 31 December 2011 respectively. The functional currencies of the Group include Renminbi and Singapore dollar. As at 30 June 2012, 70.8% of the Group's cash, bank deposits and non-pledged fixed deposits were denominated in the respective functional currencies and the remaining 29.2% in other currencies (mainly Hong Kong dollar, Japanese yen and United States dollars).

The Group's primary sources of funds include cash generated from operating activities and loans and trade facilities provided by the Group's banks in Singapore and in the PRC. Our Group had cash inflow from operating activities of approximately HK$20.0 million (negated by working capital changes of approximately HK$149.0 million largely due to an increase in trade and other receivables) as a result of the Group's continuous expansion in its business activities.

Our bank facilities as at 30 June 2012 remained comparable to that as at 31 December 2011. As at 30 June 2012, 76.9% and 23.1% of the Group's bank loans were denominated in the functional currencies of the respective entities within the Group and United States dollar respectively, with interest rates ranging from 5.0% to 13.5% per annum as at 30 June 2012. In addition, there was a decrease in bank loans of approximately HK$2.3 million from 31 December 2011 to 30 June 2012.

Due to the seasonal nature of our business, cash balances are typically lower for the first half of the year as sales close to the year end only fall due in June or later. In addition, we make advance payments for orders to be delivered in the second half of the year. Some of the proceeds from the Global Offering have been utilised for advance payment for plant and equipment acquisitions as part of the Group's expansion plans for our Shanghai operations as well as for working capital as disclosed in the Prospectus – Use of Proceeds section.

Capital Management

The capital structure of the Group consists of cash and cash equivalents, equity attributable to owners of the Company (comprising issued share capital and reserves), loans and other borrowings.

The Directors of the Company review the capital structure regularly. As part of this review, the Directors consider the cost of capital and the optimal use of debt and equity so as to maximise the return to stakeholders. The Group seeks to balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

Capital Expenditure

During the six months ended 30 June 2012, the Group acquired property, plant and equipment at a cost of approximately HK$17.3 million or increased 36.2% as compared with approximately HK$12.8 million for 31 December 2011.

Disposal of property, plant and equipment, at net book values, amounted to approximately HK$3.5 million for the six months ended 30 June 2012 as compared with approximately HK$2.1 million for the six months ended 31 December 2011. The total consideration received by the Group was approximately HK$4.7 million which resulted in a net gain on disposal of approximately HK$1.2 million as compared to the net loss on disposal of approximately HK$0.03 million as at 31 December 2011.

Charge on Assets

As at 30 June 2012, the Group had pledged certain assets with a net book value of approximately HK$1.3 million under hire purchase financing.

Foreign Exchange Risk Management

The Group transacts business in various foreign currencies, including the United States dollar, Euro, Chinese renminbi, British pound and Japanese yen, and is therefore exposed to foreign exchange risks.

The Group manages its foreign exchange exposure as far as possible by matching the currency that it transacts with its customers to the currency that it purchased in to create a natural hedge.

The Group has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risks. No hedge has been taken up to mitigate this exposure as it does not impact cash flows.

Capital Commitments

The Group does not have any capital commitments as at 30 June 2012.

Contingent Liabilities

The contingent liabilities of the Group have not changed materially from the information disclosed in our annual report for the year ended 31 December 2011.

Gearing Ratio

Gearing ratio is measured by the total bank debt divided by total assets of the Group. As at 30 June 2012, the gearing ratio was 0.5% whereas the gearing ratio as at 31 December 2011 was 1.0%.

BUSINESS REVIEW

Whilst the global economy has experienced continued uncertainties and downside risks emanating from the euro zone sovereign debt crisis, the Group has continued to mitigate its risks by focusing on our business fundamentals. With respect to our diversified portfolio in the five business segments that we principally engage in, we have managed to demonstrate resiliency amidst prevailing macroeconomic uncertainties with overall revenue for the period under review recording an increase compared to that of the corresponding period last year.

We continue to be cautiously optimistic in industries such as the aviation manufacturing industry. Because of the rapid evolution in aircraft designs, the consolidation of large domestic airlines in the PRC as well as the Singapore government's initiative in developing the aviation manufacturing industry in Singapore since 2008, we anticipate that there will be a greater demand for precision engineering solutions projects, higher-end CNC machining centres as well as machine tools.

During the period under review, the Group's activities under the precision engineering solutions projects segment continued to experience an increase in Singapore as well as new market entrance in Indonesia and India. This increase occurred primarily in the aviation manufacturing, automotive, and precision engineering sectors. The Group anticipates continued demand for its higher-end CNC machining centres and machine tools to cater for our customers who manufacture aerospace components and from aviation manufacturers who wish to set up manufacturing facilities in Singapore. This is in line with the Group's strategy to place more focus on the provision of our precision engineering solutions projects in existing and potential new markets.

Our sales of components and parts segment continued to generate monthly recurring sales. We also continue to serve our recurring customers under our components and parts segment, which includes our sales to DMPG. In addition, whilst our customer base broadens from the precision engineering solutions projects segment and from the sales of CNC machining centres segment, our after-sales technical support services continue to experience a steady growth and this will further mitigate our short-term downside risks.

Our strategic collaboration with DMPG is on-going and our collaborative production of key components for CNC horizontal machining centres has positioned the Group with a view to target the high-end segment of the precision engineering market in the PRC and other emerging markets via original equipment manufacturing ("OEM") projects.

Progress has been made in Shanghai to increase our manufacturing capability in the PRC. We believe once the expansion plan has been completed, the Group will be well-positioned geographically in serving customers in high-growth industries.

STRATEGY AND OUTLOOK

Amidst the uncertainty from the continuing sovereign debt crisis in Europe and the generally more volatile macroeconomic conditions, we remain cautiously optimistic on the performance of the Group for the second half of the year. Our management will continue to focus on developing our key markets whilst exercising prudence on expenditure, enhancing production efficiency and better utilisation of our manufacturing facilities.

Pursuant to the Company's Listing on the Main Board of the Stock Exchange and the receipt of the net proceeds from the Global Offering (as defined in the prospectus of the Company dated 20 March 2012 (the "Prospectus")), the Company has sufficient resources to enhance our key strengths and to develop our existing markets. A total of 150 million new shares were issued at HK$1.33 for a total of approximately HK$199.5 million. The net proceeds raised from the abovementioned Global Offering of the Company of approximately HK$163.8 million (excluding listing expenses paid and deferred as at 31 December 2011) are being and will be used in accordance with the purposes disclosed in the Prospectus.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2012, the Group had a total number of 233 full-time employees (217 as at 31 December 2011). The Group determined the remuneration packages of all employees based on factors including individual qualifications, contributions to the Group, performance and years of experience of the respective staff.

The Group provides on-going training to our staff in order to enhance their technical skills and product knowledge and to provide them with updates with regards to industry quality standards and work safety standards. In addition, our engineers receive on-going technical training and exchanges with KIWA Machinery Co., Ltd. in both Japan and the PRC.

The Group maintains good relationships with our employees and has not experienced any significant problems with our employees nor have there been any disruptions to the Group's business operations as a result of strikes or other labour disputes.

As required by PRC regulations, the Group participates in the social insurance schemes operated by the relevant local government authorities.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2012, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed or taken to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or pursuant to the Model Code as set out in Appendix 10 to the Listing Rules are as follows:

Name of Director	Nature of interest	Number of ordinary shares	Percentage of the total issued share capital of the Company
Mr. Wong Koon Lup	Interest in controlled corporation	149,400,000	24.24%
	Beneficial owner	23,100,000	3.74%
Mr. Wong Mun Sum	Beneficial owner	22,500,000	3.65%

Note: Mr. Wong Koon Lup and Mr. Wong Mun Sum, both executive Directors of the Company, owned 80% and 20% of the shares in WMS Holding Pte. Ltd., respectively. Mr. Wong Koon Lup is deemed to be interested in the shares held by WMS Holding Pte. Ltd. under Part XV of the SFO.

Save as disclosed above, as at 30 June 2012, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations which had to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2012, the persons or entities who have interests or short positions in the shares and underlying shares of the Company which have been disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO are as follows:

Name	*Notes*	Capacity and nature of interest	Number of ordinary shares held (a)	Percentage of the Company's issued share capital
Mr. Wong Koon Lup	*(b)*	Interest in controlled corporation	149,400,000 (L)	24.24%
		Beneficial owner	23,100,000 (L)	3.74%
Ms. Lou Swee Lan	*(c)*	Family interest	172,500,000 (L)	27.98%
WMS Holding Pte. Ltd.	*(b)*	Beneficial owner	149,400,000 (L)	24.24%
Mr. Fu Junwu		Beneficial owner	107,052,400 (L)	17.37%
Ms. Wang Shuhua	*(d)*	Family interest	107,052,400 (L)	17.37%
Mr. Lim Hua Min	*(e)*	Interest in controlled corporation	44,378,000 (L)	7.20%
Phillip Investment Corporation Pte Ltd	*(e)*	Interest in controlled corporation	44,378,000 (L)	7.20%
Phillip Capital Pte Ltd	*(e)*	Interest in controlled corporation	44,378,000 (L)	7.20%
Phillip Private Equity Pte. Ltd.	*(e)*	Investment manager	44,378,000 (L)	7.20%
Phillip Ventures Enterprise Fund 2 Ltd.	*(e)*	Beneficial owner	44,378,000 (L)	7.20%

Notes:

(a) The letter "L" denotes the long position in such shares and the letter "S" denotes the short position in such shares.

(b) Mr. Wong Koon Lup and Mr. Wong Mun Sum, both executive Directors of the Company, owned 80% and 20% of the shares in WMS Holding Pte. Ltd., respectively. Mr. Wong Koon Lup is deemed to be interested in the shares held by WMS Holding Pte. Ltd. under Part XV of the SFO.

(c) Ms. Lou Swee Lan is the spouse of Mr. Wong Koon Lup. Ms. Lou Swee Lan is deemed to be interested in the shares held by Mr. Wong Koon Lup under the SFO.

(d) Ms. Wang Shuhua is the spouse of Mr. Fu. Ms. Wang Shuhua is deemed to be interested in the shares held by Mr Fu under the SFO.

(e) Phillip Ventures Enterprise Fund 2 Ltd. ("PVEF2") is a company incorporated in Singapore. It is a private equity investment fund managed by Phillip Private Equity Pte. Ltd. ("PPE") on a full discretionary basis. PPE holds the only issued ordinary share of PVEF2 and the preference shares in the capital of PVEF2 are held mainly by institutional investors and high net worth individuals. The ultimate holding company of PPE is Phillip Investment Corporation Pte Ltd ("PIC") and PIC is owned by Mr. Lim Hua Min and his brothers. PPE, PIC and Mr. Lim Hua Min are all deemed interested in the shares of the Company held by PVEF2.

Save as disclosed above, as at 30 June 2012, the Directors are not aware of any other persons (who is not a Director or the chief executive of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme (the "Share Option Scheme") for the purpose of recognising and acknowledging the contributions the eligible participants had or may have made to the Group. The Directors were authorised to grant options to subscribe for shares of the Company and to allot, issue and deal with the shares pursuant to the exercise of options granted under the Share Option Scheme and to take all such steps as may be necessary and/or desirable to implement and give effect to the Share Option Scheme. The maximum number of shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue immediately following completion of the Global Offering, being 61,641,700 shares, excluding any options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of the Company). Details of the Share Option Scheme are set forth in the Prospectus.

No share options were granted under the Share Option Scheme since the date of Listing up to 30 June 2012 inclusively.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has fully complied with the code provisions set out in the Corporate Governance Code during the period from the date of Listing on 13 April 2012 to 30 June 2012 contained in Appendix 14 to the Listing Rules, except for the following:

Code provision A.2.1 – This code provision stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The Company currently does not have a separate chairman and chief executive and Mr. Wong Koon Lup, a founder of the Group, currently holds both positions. The Board believes that vesting the roles of chairman and chief executive in the same individual provides the Group with strong and consistent leadership and allow for more effective and efficient planning of our long-term business strategies.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted a code for securities transactions by the Directors on terms equivalent to the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

The Board confirmed that, having made specific enquiry, the Directors have complied in full with the required standards as set out in the Model Code and its code of conduct since the date of Listing to 30 June 2012.

REVIEW OF THE FINANCIAL STATEMENTS AND INTERIM REPORT

The Audit Committee has discussed with the management and external auditors the accounting principles and policies adopted by the Group, and has reviewed the Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2012 and this interim report. The Audit Committee is of the opinion that the interim results and this interim report have complied with applicable accounting standards and the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Save and except for the offering of 150,000,000 new shares in relation to the Listing, there were no purchase, sale or redemption of listed securities by the Company since the date of Listing to 30 June 2012.

INTERIM DIVIDEND

At the meeting of the Board, the Directors resolved not to declare any interim dividend for the six months ended 30 June 2012.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

		Six months ended 30 June	
		2012	2011
		HK$'000	*HK$'000*
	Notes	**(Unaudited)**	(Unaudited)
Revenue	*4*	**399,236**	339,095
Cost of sales		**(295,910)**	(255,044)
Gross profit		**103,326**	84,051
Other income and gains	*4*	**2,388**	1,007
Selling and distribution expenses		**(13,237)**	(12,553)
Administrative expenses	*5*	**(44,012)**	(14,206)
Finance costs	*6*	**(26,367)**	(11,424)
Other operating expenses		**(6,277)**	(9,371)
Profit before tax	*7*	**15,821**	37,504
Income tax expense	*8*	**(15,610)**	(11,716)
Profit for the period		**211**	25,788
Other comprehensive income			
Exchange difference on translation of foreign operations		**622**	5,112
Other comprehensive income for the period, net of tax		**622**	5,112
Total comprehensive income for the period		**833**	30,900
Profit for the period attributable to:			
Owners of the Company		**211**	25,788
Total comprehensive income for the period attributable to:			
Owners of the Company		**833**	30,900
Earnings per share attributable to ordinary equity holders of the Company			
Basic and diluted *(HK cents)*			
– For profit for the period	*10*	**0.04**	5.53

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

	Notes	30 June 2012 HK$'000 (Unaudited)	31 December 2011 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment	*11*	**44,665**	33,356
Prepaid land lease payments		**808**	823
Deferred tax assets		**96**	96
Goodwill		**34,035**	34,396
Investment in jointly controlled entities		**–**	–
		79,604	68,671
Current assets			
Inventories		**19,475**	21,685
Trade receivables	*12*	**695,275**	566,578
Other receivables		**282,496**	147,741
Cash and bank balances	*13*	**97,369**	38,800
		1,094,615	774,804
Current liabilities			
Bank loans and overdrafts		**4,932**	6,499
Trade payables	*14*	**465,225**	378,216
Other payables and accruals		**146,242**	103,742
Redeemable convertible loan	*15*	**–**	54,479
Derivative liabilities	*15*	**–**	43,434
Finance lease payable		**731**	561
Tax payable		**20,499**	16,443
		637,629	603,374
Net current assets		**456,986**	171,430
Total assets less current liabilities		**536,590**	240,101
Non-current liabilities			
Bank loans		**830**	1,614
Finance lease payable		**172**	621
Deferred tax liabilities		**17,865**	20,584
		18,867	22,819
Net assets		**517,723**	217,282
Capital and reserves			
Issued capital	*16*	**6,164**	125,472
Retained earnings		**160,766**	160,555
Share premium reserve		**421,925**	–
Other reserves		**(71,132)**	(68,745)
Total equity attributable to owners of the Company		**517,723**	217,282

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012

	Attributable to owners of the Company				
	Issued capital *HK$'000* *(Note 16)*	Retained earnings *HK$'000*	Share premium reserve *HK$'000*	Other reserves *HK$'000*	Total *HK$'000*
Balance at 1 January 2012	**125,472**	**160,555**	**–**	**(68,745)**	**217,282**
Profit for the period	**–**	**211**	**–**	**–**	**211**
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**622**	**622**
Total comprehensive income for the period	**–**	**211**	**–**	**622**	**833**
Contributions by and distributions to owners					
Issuance of new shares	**1,500**	**–**	**198,000**	**–**	**199,500**
Adjustment arising from Reorganisation Exercise	**(120,808)**	**–**	**248,291**	**(3,009)**	**124,474**
Share issuance expenses	**–**	**–**	**(24,366)**	**–**	**(24,366)**
Total contributions by and distribution to owners, representing total transactions with owners in their capacity as owners	**(119,308)**	**–**	**421,925**	**(3,009)**	**299,608**
Balance at 30 June 2012 (Unaudited)	**6,164**	**160,766**	**421,925**	**(71,132)**	**517,723**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012

	Attributable to owners of the Company			
	Issued capital *HK$'000* *(Note 16)*	Retained earnings *HK$'000*	Other reserves *HK$'000*	Total *HK$'000*
Balance at 1 January 2011	125,472	98,603	(81,547)	142,528
Profit for the period	–	25,788	–	25,788
Exchange differences on translation of foreign operations	–	–	5,112	5,112
Total comprehensive income for the period	–	25,788	5,112	30,900
Contributions by and distributions to owners				
Transfer to statutory reserves	–	(170)	170	–
Total contributions by and distribution to owners, representing total transactions with owners in their capacity as owners	–	(170)	170	–
Balance at 30 June 2011 (Unaudited)	125,472	124,221	(76,265)	173,428

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012

	Note	Six months ended 30 June **2012** ***HK$'000*** **(Unaudited)**	 2011 *HK$'000* (Unaudited)
Net cash flows used in operating activities		**(129,354)**	(49,680)
Net cash flows (used in)/generated from investing activities		**(12,542)**	3,057
Net cash flows generated from/(used in) financing activities		**199,066**	(34,882)
Net increase/(decrease) in cash and cash equivalents		**57,170**	(81,505)
Cash and cash equivalents at the beginning of the period		**38,799**	114,045
Effect of exchange rate changes, net		**1,400**	7,549
Cash and cash equivalents at the end of the period	*13*	**97,369**	40,089
Cash and cash equivalents at the beginning of the period consist of:			
Cash and bank balances		**38,800**	115,413
Bank overdrafts		**(1)**	(1,368)
Cash and cash equivalents		**38,799**	114,045

1. CORPORATION INFORMATION

CW Group Holdings Limited (the "Company") is a limited liability company incorporated in the Cayman Islands. On 13 April 2012, the Company was admitted to the official list of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Clifton Houses, 75 Fort Street, PO box 1350, Grand Cayman, Ky1-1108, Cayman Islands. The Company's principal place of business is located at 22nd floor, World Wide House, Central, Hong Kong. The principal business activities of the Company and its subsidiaries (the "Group") are described in Note 3.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

Basis of preparation

The unaudited interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting issued by the International Accounting Standards Board ("IASB") and Appendix 16 of the Listing Rules.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2011.

New standards, interpretations and amendments thereof, adopted by the Group

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011, except for the adoption of new standards and interpretations as of 1 January 2012, noted below. The following amendments to IFRSs standards did not have any impact on the accounting policies, financial position or performance of the Group:

IAS 12 – Deferred Tax: Recovery of Underlying Assets (Amendment)

This amendment to IAS 12 includes a rebuttable presumption that the carrying amount of investment property measured using the fair value model in IAS 40 will be recovered through sale and, accordingly, that any related deferred tax should be measured on a sale basis. The presumption is rebutted if the investment property is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits in the investment property over time, rather than through sale. Specifically, IAS 12 will require that deferred tax arising from a non-depreciable asset measured using the revaluation model in IAS 16 should always reflect the tax consequences of recovering the carrying amount of the underlying asset through sale. Effective implementation date is for annual periods beginning on or after 1 January 2012.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (cont'd)

New standards, interpretations and amendments thereof, adopted by the Group (cont'd)

IFRS 7 – Disclosures – Transfers of financial assets (Amendment)

The IASB issued an amendment to IFRS 7 that enhances disclosures for financial assets. These disclosures relate to assets transferred (as defined under IAS 39). If the assets transferred are not derecognised entirely in the financial statements, an entity has to disclose information that enables users of financial statements to understand the relationship between those assets which are not derecognised and their associated liabilities.

If those assets are derecognised entirely, but the entity retains a continuing involvement, disclosures have to be provided that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. Effective implementation date is for annual periods beginning on or after 1 July 2011 with no comparative requirements.

IFRS 1 – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendment)

When an entity's date of transition to IFRS is on or after the functional currency normalisation date, the entity may elect to measure all assets and liabilities held before the functional currency normalisation date, at fair value on the date of transition to IFRS. This fair value may be used as the deemed cost of those assets and liabilities in the opening IFRS statement of financial position. However, this exemption may only be applied to assets and liabilities that were subject to severe hyperinflation. Effective implementation date is for annual periods beginning on or after 1 July 2011 with early adoption permitted.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

(a) Precision engineering solution projects – relates to provision of industrial solutions specific to machine tools and industrial machinery and equipment encompassing conceptualization and design to production set-up, commissioning and maintenance of production lines.

(b) Sales of Computer Numeric Control ("CNC") machining centres – relates to sales of precision engineering manufacturing equipment operable under CNC automation.

(c) Sales of cement production equipment – relates to sales of equipment (rotor weighfeeders and clinker coolers) primarily for the construction materials industry.

(d) Sales of components and parts – relates to sales of self-manufactured and trading of components and parts.

(e) After-sales technical support services – relates to provision of repairs and maintenance services for the above segments.

3. OPERATING SEGMENT INFORMATION (cont'd)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, dividend income, fair value gains/(losses) from the Group's financial instruments as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, fixed deposits, cash and cash equivalents, other unallocated head office and corporate assets as these assets are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Six months ended 30 June 2012 (Unaudited)	Precision engineering solution projects *HK$'000*	Sales of CNC machining centres *HK$'000*	Sales of cement production equipment *HK$'000*	Sales of components and parts *HK$'000*	After-sales technical support services *HK$'000*	Total *HK$'000*
Segment revenue						
Sales to external customers	213,117	24,434	51,171	87,794	22,720	399,236
Intersegment sales	2,051	311	–	343	–	2,705
	215,168	24,745	51,171	88,137	22,720	401,941
Reconciliation						
Elimination of intersegment sales						(2,705)
Revenue						399,236
Segment results	55,987	5,156	19,866	7,557	14,760	103,326
Reconciliation						
Interest income						92
Unallocated other income and gains						2,296
Corporate and other unallocated expenses						(63,526)
Finance costs						(26,367)
Profit before tax						15,821

3. OPERATING SEGMENT INFORMATION (cont'd)

Six months ended 30 June 2011 (Unaudited)	Precision engineering solution projects *HK$'000*	Sales of CNC machining centres *HK$'000*	Sales of cement production equipment *HK$'000*	Sales of components and parts *HK$'000*	After-sales technical support services *HK$'000*	Total *HK$'000*
Segment revenue						
Sales to external customers	150,507	26,231	60,354	84,203	17,800	339,095
Intersegment sales	–	201	–	447	–	657
	150,507	26,441	60,354	84,650	17,800	339,752
Reconciliation						
Elimination of intersegment sales						(657)
Revenue						339,095
Segment results	26,093	5,240	30,768	6,400	15,500	84,001
Reconciliation						
Interest income						303
Unallocated other income and gains						704
Corporate and other unallocated expenses						(36,080)
Finance costs						(11,424)
Profit before tax						37,504

Segment assets	**Precision engineering solution projects** ***HK$'000***	**Sales of CNC machining centres** ***HK$'000***	**Sales of cement production equipment** ***HK$'000***	**Sales of components and parts** ***HK$'000***	**After-sales technical support services** ***HK$'000***	**Total** ***HK$'000***
At 30 June 2012	**452,996**	**22,504**	**47,418**	**191,179**	**23,988**	**738,085**
Reconciliation						
Corporate and other unallocated assets						**436,134**
Total assets (Unaudited)						**1,174,219**
At 31 December 2011	378,414	29,857	57,997	128,899	6,473	601,640
Reconciliation						
Corporate and other unallocated assets						241,835
Total assets (Audited)						843,475

3. OPERATING SEGMENT INFORMATION (cont'd)

Geographical information

The Group's revenues from external customers by geographical locations are as follows:

	Six months ended 30 June			
	2012		2011	
	HK$'000	***%***	*HK$'000*	*%*
	(Unaudited)		(Unaudited)	
Asia Pacific region:				
The PRC	**173,953**	**43.6**	115,803	34.2
Singapore	**61,532**	**15.4**	24,141	7.1
Indonesia	**76,967**	**19.3**	42,787	12.6
Malaysia	**27,997**	**7.0**	35,455	10.5
Hong Kong	**22,605**	**5.7**	4,069	1.2
India	**16,391**	**4.1**	11,932	3.5
Thailand	**8,958**	**2.2**	28,409	8.4
Others	**2,739**	**0.7**	1,195	0.4
Europe	**7,505**	**1.9**	72,068	21.3
Others	**589**	**0.1**	3,236	1.0
Total	**399,236**	**100.0**	339,095	100.0

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts and the value of services rendered during the period:

An analysis of revenue, other income and gains is as follows:

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue		
Sale of goods	**376,516**	321,270
Rendering of services	**22,720**	17,825
	399,236	339,095
Other income		
Bank interest income	**92**	303
Rental income	**49**	185
Government subsidy	**499**	476
Gain on disposal of property, plant and equipment (net)	**1,168**	–
Management fees	**262**	–
Sponsorship received	**281**	–
Others	**37**	43
	2,388	1,007

5. ADMINISTRATIVE EXPENSES

The Group's administrative expenses includes the following:

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Listing expenses	**25,621**	–
Depreciation	**1,218**	1,065
Amortisation of prepaid land lease payments	**6**	6
Employee benefits expenses (including directors' remuneration)	**6,422**	5,226
Contribution to retirement benefits schemes	**773**	708
Allowance for impairment on doubtful debts	**61**	52
Loss on disposal of property, plant and equipment (net)	**–**	28

6. FINANCE COSTS

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on finance leases	**44**	93
Bank overdraft interest and charges	**229**	–
Bank and other finance charges	**2,243**	1,856
Interest on bank loans wholly repayable within five years	**72**	673
Amortized interest on redeemable convertible loan	**–**	11,499
Fair value change of embedded derivatives	**23,779**	(2,697)
	26,367	11,424

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**291,417**	251,078
Net foreign exchange loss*	**6,277**	11,188

* These amounts are included in "Other operating expenses" in the interim condensed consolidated statements of comprehensive income.

8. INCOME TAX EXPENSE

The major components of income tax expense in the interim condensed consolidated statement of comprehensive income are:

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax:		
– Current period	**14,416**	9,314
– Over provision in prior period	**–**	(159)
Deferred tax		
– Current period	**1,194**	2,561
Total income tax recognised in profit or loss	**15,610**	11,716

9. DIVIDENDS

No dividend is to be paid or proposed by the Directors of the Company for the six months ended 30 June 2012 and 2011.

10. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company of HK$211,000 (six months ended 30 June 2011: HK$25,788,000) and the weighted average number of 530,702,714 ordinary shares in issue during the period, comprising the pre-offering capital of 466,417,000 ordinary shares and the newly-issued 150,000,000 ordinary shares pursuant to the offering (30 June 2011: the pre-offering capital of 466,417,000).

No diluted earnings per share amounts have been presented for the six months ended 30 June 2012 as there are no dilutive potential ordinary shares as at 30 June 2012. The calculation of earnings per share for the six months ended 30 June 2011 is based on the profit for the year attributable to the owners of the Company and the pre-offering capital of 466,417,000.

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
Earnings per share *(HK cents)*	**0.04**	5.53

11. PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the six months ended 30 June 2012, the Group acquired property, plant and equipment with a cost of HK$17,337,000 (31 December 2011: HK$12,760,000). Property, plant and equipment with a net book value of HK$3,535,000 (31 December 2011: HK$2,094,000) were disposed of by the Group during the six months ended 30 June 2012 at a total consideration of HK$4,703,000, resulting in a net gain on disposal of HK$1,168,000 (31 December 2011: net loss on disposal of HK$28,000).

12. TRADE RECEIVABLES

	30 June 2012 *HK$'000* (Unaudited)	31 December 2011 *HK$'000* (Audited)
Trade receivables	**453,191**	462,246
Less: Impairment	**(337)**	(334)
	452,854	461,912
Accrued revenue	**242,421**	104,666
	695,275	566,578

The Group's trading terms with its customers are mainly on credit except for certain new customers where payment in advance is required. The average trade credit period ranged from 30 days to 360 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly and actively monitored by senior management to minimise credit risk. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

Accrued revenue represents amounts due from customers with respect to machinery and equipment delivered to customers or where customers have taken over the ownership of the equipment for which billings have yet to be rendered.

Included in trade receivables are retention sums as follows:

	30 June 2012 *HK$'000* (Unaudited)	31 December 2011 *HK$'000* (Audited)
Retention sums	**–**	2,481

12. TRADE RECEIVABLES (cont'd)

The following is an aged analysis of the Group's trade receivables (net of allowance for doubtful debts and excluding accrued revenue) as at 30 June 2012 and 31 December 2011, presented based on invoice date:

	30 June 2012	31 December 2011
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 to 90 days	**112,987**	181,359
91 to 180 days	**47,112**	121,024
181 to 360 days	**205,775**	122,314
Over 360 days	**86,980**	37,215
	452,854	461,912

13. CASH AND BANK BALANCES

	30 June 2012	31 December 2011
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Cash on hand	**454**	126
Bank balances	**87,503**	32,349
Fixed deposits	**9,412**	6,325
Cash and bank balances	**97,369**	38,800

Cash at banks earns interest at floating rates based on daily bank deposit rates. Fixed deposits earn interest at the respective short-term time deposit rates. The bank balances and fixed deposits are deposited with creditworthy banks with no recent history of default.

14. TRADE PAYABLES

	30 June 2012	31 December 2011
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables	**121,036**	144,679
Accrued payables	**259,546**	176,797
Bills payables	**84,643**	56,740
	465,225	378,216

14. TRADE PAYABLES (cont'd)

The following is an aged analysis of the Group's trade payables (excluding bills payable and accrued payables) as at 30 June 2012 and 31 December 2011, presented based on invoice date:

	30 June 2012 *HK$'000* **(Unaudited)**	31 December 2011 *HK$'000* (Audited)
0 to 90 days	**32,775**	60,020
91 to 180 days	**12,898**	58,156
181 to 360 days	**63,168**	16,031
Over 360 days	**12,195**	10,472
	121,036	144,679

Bills payables are payable to the bank within 180 days.

15. REDEEMABLE CONVERTIBLE LOAN AND DERIVATIVE LIABILITIES

Redeemable convertible loan and derivative liabilities comprise:

	Note	**30 June 2012** *HK$'000* **(Unaudited)**	31 December 2011 *HK$'000* (Audited)
Redeemable convertible loan	*(ii)*	–	54,479
Derivative liabilities			
– Pre-IPO investment	*(i)*	–	9,400
– Redeemable convertible loan	*(ii)*	–	34,034
		–	43,434

15. REDEEMABLE CONVERTIBLE LOAN AND DERIVATIVE LIABILITIES (cont'd)

(i) Pre-IPO investment

The derivative relates to an anti-dilution clause stipulated in the sale and purchase agreement entered into between SG Tech Holdings Limited and Septwolves Group (Asia) Investments Limited ("Septwolves") dated 9 April 2010 and supplemented by a supplemental agreement on 31 May 2010. The anti-dilution clause stipulates that Septwolves shareholdings would maintain at 6% of the enlarged share capital prior to the successful listing of the Group on an approved Stock Exchange through issuance and allotment of new shares to Septwolves in the event of new shares being issued so as to maintain Septwolves shareholdings at 6% of the enlarged share capital. Accordingly, pursuant to the anti-dilution clause, SG Tech Holdings Limited allotted and issued 141,944 shares to Septwolves after the allotment of 800,000 shares of SG Tech Holdings Limited to Mr. Fu Junwu on 14 December 2010 and the conversion of 923,796 shares of SG Tech Holding Limited pursuant to the terms of the redeemable convertible loan agreement (see details below). On 13 April 2012, 27,985,000 ordinary shares of the Company were issued to Septwolves pursuant to the Reorganisation Exercise undertaken by the Group.

(ii) Redeemable convertible loan

Pursuant to a redeemable convertible loan agreement entered into, amongst others, SG Tech Holdings Limited and a number of investors (the "Investors") dated 21 April 2010 (as supplemented by a supplemental and novation agreement dated 31 May 2010), SG Tech Holdings Limited was granted by the Investors a redeemable convertible loan of S$9,000,000 (equivalent to HK$50,027,000).

The redeemable convertible loan may be converted into fully-paid shares of SG Tech Holdings Limited on or before 30 September 2011 subject to grant of approval in-principle of the listing of the Company's shares on the Stock Exchange. The redemption date has been extended to 30 September 2011 based on the supplemental agreement dated 30 September 2010 and further extended to 31 December 2011 by a letter dated 16 August 2011. If the redeemable convertible loan has not been converted, it will be redeemed on 31 December 2011 at the principal amount but the Investors have rights to extend the maturity date of the redeemable convertible loans to 30 September 2012. Salient changes to the terms of the redeemable convertible loan as amended in the supplemental deed dated 30 September 2010 include an additional interest of 5% and a fixed aggregate sum of S$2,977,396. This substantial modification of the term of the redeemable convertible loan has been accounted for as an extinguishment of the original loan and the recognition of a new loan and a gain on derecognition of redeemable convertible loan of approximately HK$13,523,000 has been recognised in the income statement for the financial year ended 31 December 2010.

Interest of 25% per annum will be charged if the redeemable convertible loan is not converted or redeemed on or before 31 December 2011 and the interest will be charged at 30% per annum if the maturity date of the redeemable convertible loan is further extended by the Investors on or after 31 December 2012.

As at 31 December 2011, the Investors agreed to extend the redemption date of the redeemable convertible loan to 31 March 2012.

15. REDEEMABLE CONVERTIBLE LOAN AND DERIVATIVE LIABILITIES (cont'd)

(ii) Redeemable convertible loan (cont'd)

The redeemable convertible loan contains two components, embedded derivatives and liability component. Embedded derivatives comprise 3 components: conversion option, redemption option and liquidity event option. These options are presented in liabilities under the heading "Derivative liabilities". The effective interest rates of the liability component on initial recognition ranged from 140% to 161% per annum.

The movement of the liability component and various options of the redeemable convertible loan for the year ended 31 December 2011 and six months ended 30 June 2012 is set out below:

	Liability component *HK$'000*	**Derivative liabilities** *HK$'000*
At 1 January 2011	37,544	33,660
Interest charged to profit or loss	19,824	–
Change in fair value charged to profit or loss	–	266
Foreign currency translation	(2,889)	108
At 31 December 2011 and 1 January 2012	54,479	34,034
De-recognition of redeemable convertible loan	(54,479)	(34,034)
At 30 June 2012	–	–

The liability component is measured at amortized cost. No interest was paid during the year ended 31 December 2011 and six months ended 30 June 2012. The fair value of redeemable convertible loan and derivative liabilities were valued by an independent professional valuer, Asset Appraisal Limited. Valuations were based on discounted future cash flows taking into considerations certain parameters such as probability of conversion.

The total proceeds from convertible loan were HK$50,027,000, segregated into liability component, derivative liabilities and capital contribution of HK$30,700,000, HK$18,936,000 and HK$391,000, respectively.

On 5 March 2012, SG Tech Holdings Limited received a notice of conversion from the Investors. According to the terms of the redeemable convertible loan agreement, the principal amount of the redeemable convertible loan was fully converted into 923,796 shares in SG Tech Holdings Limited and such shares were allotted and issued to the Investors in proportion to their respective contributions to the redeemable convertible loan. On 13 April 2012, 92,379,600 ordinary shares of the Company were issued to the respective investors for share swap exercise pursuant to the Reorganisation Exercise undertaken by the Group.

16. ISSUED CAPITAL

For the purpose of the preparation of the combined financial statements for the financial year ended 31 December 2011, the balance of the issued capital as at 31 December 2011 represented the issued share capital of its subsidiary, SG Tech Holdings Limited.

Reorganisation of the Company ("Reorganisation Exercise")

Pursuant to a sale and purchase agreement dated 9 March 2012, the Company allotted and issued, on 13 March 2012, shares credited as fully paid to the shareholders of SG Tech Holdings Limited in the same proportion as their respective shareholdings in SG Tech Holdings Limited, in consideration of the shareholders of SG Tech Holdings Limited transferring all the issued shares of SG Tech Holdings Limited to SG (BVI) Limited. Accordingly, the Company allotted and issued 1,070,524 shares, 225,000 shares, 278,000 shares, 231,000 shares, 72,000 shares, 279,850 shares, 1,493,999 shares, 90,000 shares, 513,220 shares, 153,966 shares, 102,644 shares, 35,925 shares, 25,661 shares, 25,661 shares, and 66,719 shares to Mr. Fu Junwu, Mr. Wong Mun Sum, Mr. Tay Choon Siong, Mr. Wong Koon Lup, Charter Field Enterprises Limited, Septwolves Group (Asia) Investments Limited, WMS Holding Pte. Ltd., World Leap Corporation, Phillip Ventures Enterprise Fund 2 Ltd., 3VS1 Asia Growth Fund Ltd., Skylight Enterprises Group Ltd., Mr. Julian Lionel Sandt, Mr. Daniel Long Chee Tim, Mr. Terrance Tan Kong Hwa and Polygon Capital Limited, respectively.

On 14 March 2012, the shareholders of the Company resolved to increase the authorised share capital of the Company from HK$390,000 to HK$100,000,000 by the creation of additional 9,961,000,000 shares, each ranking *pari passu* with the shares then in issue in all respects.

In addition, the shareholders also passed a resolution to capitalise an amount of HK$4,617,528.30 standing to the credit of the share premium account of the Company and to appropriate such amount as to capital to pay up in full at par 461,752,830 shares for allotment and to issue to the person(s) whose name(s) will appear on the register of members of the Company at 8:00 am (Hong Kong time) on 29 March 2012 in proportion to its/their then existing shareholding(s) in the Company, each ranking pari passu in all respects with the then existing issued shares.

Upon completion of the Reorganisation Exercise, the Company became the holding company of the Group.

The Company issued the prospectus and the supplemental prospectus on 20 March 2012 and 5 April 2012, respectively, pursuant to which the Company and certain shareholders offered 150,000,000 shares and 12,500,000 shares, respectively to the public for subscription by way of initial public offering. Consequently, the subscription price was determined at HK$1.33 per share and the Company received net proceeds of approximately HK$163.8 million prior to charging of listing expenses which were deferred as at 31 December 2011. The Company's shares were subsequently listed for trading on the Main Board of The Stock Exchange of Hong Kong Limited on 13 April 2012.

16. ISSUED CAPITAL (cont'd)

Upon initial public offering, the share capital of the Company is as follows:

	HK$'000
Authorised share capital:	
10,000,000,000 shares of HK$0.01 per share	100,000,000
Issued and fully paid share capital:	
616,417,000 shares of HK$0.01 per share	6,164,170

17. FINANCIAL INSTRUMENTS

Fair value

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Cash and bank balances, trade receivables, trade payables, financial assets included in other receivables, financial liabilities included in other payables and accruals, amounts due from/to related parties and jointly-controlled entities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the non-current portion of bank loans and finance lease payables are reasonable approximation of fair values either due to the relatively short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near balance sheet date.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: Fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

17. FINANCIAL INSTRUMENTS (cont'd)

Fair value hierarchy (cont'd)

	30 June 2012	31 December 2011
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Level 3		
Derivative liabilities	–	43,434

Reconciliation of Level 3 fair value measurements of financial liabilities

	Unlisted options
	HK$'000
Pre-IPO investment and redeemable convertible loan at 1 January 2011	43,014
Total gains or losses in profit or loss	312
Foreign currency translation recognised in other comprehensive income	108
At 31 December 2011 (Audited)	43,434
At 1 January 2012	**43,434**
Derecognition of redeemable convertible loan	**(67,213)**
Total losses in profit or loss	**23,779**
At 30 June 2012 (Unaudited)	–

18. COMMITMENT AND CONTINGENCIES

(a) Contingent liabilities

The contingent liabilities of the Group have not changed materially from the information disclosed in our annual report for the year ended 31 December 2011.

18. COMMITMENT AND CONTINGENCIES (cont'd)

(b) Operating leases – as lessee

At 30 June 2012 and 31 December 2011, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises and office equipment which fall due as follows:

	30 June 2012 *HK$'000* (Unaudited)	31 December 2011 *HK$'000* (Audited)
Within one year	**2,904**	3,891
In the second to fifth years, inclusive	**4,853**	6,601
	7,757	10,492

19. RELATED PARTY DISCLOSURES

(a) Transactions with related parties

The Group entered into the following significant transactions with related parties during the period:

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
Relationship/Name of related party/Nature of transaction	**(Unaudited)**	(Unaudited)
Company controlled by Mr. Fu Junwu		
天津市興彩科工貿有限公司		
Rental expenses	**138**	67
Jointly-controlled entities		
KIWA-CW (Shanghai) Manufacturing Co., Ltd.		
Sales of goods	**–**	473
Purchases of goods	**778**	184
Sales of fixed assets	**14,585**	–
A shareholder of the jointly-controlled entities		
KIWA Machinery Co., Ltd.		
Sales of goods	**2,697**	1,195
Purchases of goods	**1,160**	743
Royalty expenses	**117**	100

The directors considered that the above transactions were conducted on normal commercial terms and in the ordinary course of the Group's business.

19. RELATED PARTY DISCLOSURES (cont'd)

(b) Outstanding balances with related parties

An analysis of the balances with related parties is as follows:

Due from related parties (Trade receivables)

Name of related party	*Note*	**30 June 2012 *HK$'000* (Unaudited)**	31 December 2011 *HK$'000* (Audited)
KIWA-CW Machine Manufacturing (Shanghai) Co., Ltd.	*(i)*	**364**	–
KIWA Machinery Co., Ltd.	*(ii)*	**522**	501
		887	501

Notes

(i) Jointly-controlled entity.

(ii) A shareholder of the jointly-controlled entities.

Due from related parties (Other receivables)

Name of related party	*Note*	**30 June 2012 *HK$'000* (Unaudited)**	31 December 2011 *HK$'000* (Audited)
天津市興彩科工貿有限公司	*(i)*	**40**	40
KIWA-CW Machine Manufacturing Pte. Ltd.	*(ii)*	**1,793**	1,728
KIWA-CW Machine Manufacturing (Shanghai) Co., Ltd.	*(ii)*	**3,237**	485
KIWA Machinery Co., Ltd.	*(iii)*	**47**	47
		5,117	2,260

Notes

(i) A substantial shareholder of the Company, Mr. Fu Junwu, had beneficial interests in this company during the year ended 31 December 2011 and six months ended 30 June 2012.

(ii) Jointly-controlled entity.

(iii) A shareholder of the jointly-controlled entities.

The amounts due from related parties were unsecured, interest-free and repayable on demand.

19. RELATED PARTY DISCLOSURES (cont'd)

(b) Outstanding balances with related parties (cont'd)

Due to related parties (Trade payables)

Name of related party	*Note*	**30 June 2012 *HK$'000* (Unaudited)**	31 December 2011 *HK$'000* (Audited)
KIWA Machinery Co. Ltd.	*(i)*	**1,167**	–
KIWA-CW Machine Manufacturing (Shanghai) Co., Ltd.	*(ii)*	**1,138**	2,550
天津市興彩科工貿有限公司	*(iii)*	**136**	–
		2,642	2,550

Notes

(i) A shareholder of the jointly-controlled entities.

(ii) Jointly-controlled entity.

(iii) A substantial shareholder of the Company, Mr. Fu Junwu, had beneficial interests in this company during the year ended 31 December 2011 and six months ended 30 June 2012.

Due to related parties (Other payables)

Name of related party	*Note*	**30 June 2012 *HK$'000* (Unaudited)**	31 December 2011 *HK$'000* (Audited)
WMS Holdings Pte. Ltd.	*(i)*	**3,543**	–
天津市興彩科工貿有限公司	*(ii)*	**331**	12
Mr. Wong Koon Lup, a director of the Company		**5,175**	6,108
Mr. Wong Mun Sum, a director of the Company		**229**	24
Mr. Fu Junwu	*(iii)*	**5,643**	4,920
KIWA-CW Machine Manufacturing Pte. Ltd.	*(iv)*	**37**	66
KIWA-CW Machine Manufacturing (Shanghai) Co., Ltd.	*(iv)*	**1,863**	1,911
KIWA Machinery Co., Ltd.	*(v)*	**2,106**	1,521
		18,927	14,562

19. RELATED PARTY DISCLOSURES (cont'd)

(b) Outstanding balances with related parties (cont'd)

Due to related parties (Other payables) (cont'd)

Notes

(i) Directors, Mr. Wong Koon Lup and Mr. Wong Mun Sum had beneficial interest in this company. WMS Holdings Pte. Ltd. is also one of the Company's controlling shareholders.

(ii) A substantial shareholder of the Company, Mr. Fu Junwu, had beneficial interests in this company during the year ended 31 December 2011 and six months ended 30 June 2012.

(iii) A substantial shareholder of the Company.

(iv) Jointly-controlled entity.

(v) A shareholder of the jointly-controlled entities.

The amounts due to related parties were unsecured, interest-free and repayable on demand.

(c) Compensation of key management personnel

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Directors' fees	**246**	–
Other remuneration:		
– Salaries and bonuses	**1,891**	1,710
– Retirement benefit scheme contributions	**81**	71
	2,218	1,781

20. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial statements have not been audited, but have been reviewed by the Company's audit committee.

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 30 August 2012.