

CDW HOLDING LIMITED

Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 December 2021

CONTENTS

Condensed Interim Consolidated Statement of Profit or Loss3
Condensed Interim Consolidated Statement of Other Comprehensive Income.....4
Condensed Interim Statements of Financial Position5
Condensed Interim Statements of Changes in Equity6
Condensed Interim Consolidated Statement of Cash Flows8
Notes to the Condensed Interim Consolidated Financial Statements.....9
Other Information Required by Listing Rule Appendix 7.221

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months and full year ended 31 December 2021

	Note	Six months ended 31 December			Year ended 31 December		
		2021 US\$'000	2020 US\$'000	% Increase/ (Decrease)	2021 US\$'000	2020 US\$'000	% Increase/ (Decrease)
Revenue	4	79,703	62,313	27.9%	143,239	111,826	28.1%
Cost of sales		(64,025)	(49,641)	29.0%	(117,127)	(89,287)	31.2%
Gross profit		15,678	12,672	23.7%	26,112	22,539	15.9%
Other income	7	816	1,032	(20.9%)	1,077	1,381	(22.0%)
Distribution costs		(2,016)	(1,731)	16.5%	(3,971)	(3,286)	20.8%
Administrative expenses		(9,687)	(8,946)	8.3%	(18,463)	(16,721)	10.4%
Finance costs	8	(145)	(168)	(13.7%)	(305)	(294)	3.7%
Share of loss of associates		(262)	83	(415.7%)	(431)	(219)	96.8%
Gain on disposal of subsidiary		-	4	N.M.*	-	4	N.M.*
Profit before tax	9	4,384	2,946	48.8%	4,019	3,404	18.1%
Income tax expense	10	(954)	(1,120)	(14.8%)	(1,669)	(1,930)	(13.5%)
Profit after income tax		3,430	1,826	87.8%	2,350	1,474	59.4%
Profit attributable to:							
Owners of the Company		3,430	1,825	87.9%	2,350	1,474	59.4%
Non-controlling interests		-	1	N.M.*	-	-	N.M.*
		3,430	1,826	87.8%	2,350	1,474	59.4%
Earnings per share (US cent)							
Basic	11	1.54	0.82	87.8%	1.06	0.66	60.6%
Diluted		1.52	0.82	85.4%	1.04	0.66	57.6%

* N.M.: Not meaningful.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months and full year ended 31 December 2021

	Six months ended 31 December ended 31 December			Year ended 31 December		
	2021 US\$'000	2020 US\$'000	% Increase / (Decrease)	2021 US\$'000	2020 US\$'000	% Increase / (Decrease)
Profit for the periods	3,430	1,826	87.8%	2,350	1,474	59.4%
Other comprehensive income / (expense):						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange difference on translation of foreign operations	(305)	2,046	(114.9%)	(958)	1,770	(154.1%)
<i>Items that will not be reclassified to profit or loss</i>						
Equity investments designated at fair value through other comprehensive income:						
- Fair value gain arising during the periods	216	262	(17.6%)	245	212	15.6%
- Income tax effect	(45)	(31)	(45.2%)	(55)	(14)	292.9%
	171	231	(26.0%)	190	198	(4.0%)
Other comprehensive income / (expense) for the periods, net of tax	(134)	2,277	(105.9%)	(768)	1,968	(139.0%)
Total comprehensive income for the periods	3,296	4,103	(19.7%)	1,582	3,442	(54.0%)
Total comprehensive income attributable to:						
Owners of the Company	3,296	4,102	(19.6%)	1,582	3,442	(54.0%)
Non-controlling interests	-	1	N.M.*	-	-	N.M.*
	3,296	4,103	(19.7%)	1,582	3,442	(54.0%)

* N.M.: Not meaningful.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
As at 31 December 2021

	Note	The Group		The Company	
		As at 31 December 2021 US\$'000	As at 31 December 2020 US\$'000	As at 31 December 2021 US\$'000	As at 31 December 2020 US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	6,078	6,818	-	-
Right-of-use assets		2,557	3,906	-	-
Investment in subsidiaries		-	-	11,334	11,334
Amount due from a subsidiary		-	-	15,624	14,808
Investment in associates		1,048	1,598	-	-
Investments	5	2,052	1,106	-	-
Other assets		248	432	-	-
Deferred tax assets		145	187	-	-
Total non-current assets		12,128	14,047	26,958	26,142
Current assets					
Inventories	15	26,879	13,469	-	-
Trade receivables		35,680	35,667	-	-
Other receivables and prepayment		3,898	3,319	14	65
Amounts due from associates		1,579	1,342	-	-
Investments	5	1,356	1,506	-	-
Cash and bank balances	16	27,248	32,996	100	169
		96,640	88,299	114	234
Assets classified as held for sales		52	-	-	-
Total current assets		96,692	88,299	114	234
Total assets		108,820	102,346	27,072	26,376
LIABILITIES AND EQUITY					
Current liabilities					
Income tax payable		576	588	-	-
Bank borrowings	17	9,050	10,500	-	-
Current portion of lease liabilities		1,426	1,721	-	-
Trade payables		36,330	27,809	-	-
Other payables and Accruals		6,530	3,837	150	191
Amounts due to an associate		26	-	-	-
Total current liabilities		53,938	44,455	150	191
NET CURRENT ASSETS		42,754	43,844	(36)	43
Non-current liabilities					
Bank borrowings	17	1,750	2,750	-	-
Lease liabilities		1,250	2,277	-	-
Retirement benefit obligations		479	553	-	-
Deferred tax liabilities		707	711	-	-
Total non-current liabilities		4,186	6,291	-	-
NET ASSETS		50,696	51,600	26,922	26,185
Capital, reserves and non-controlling interests					
Share Capital		10,087	10,087	10,087	10,087
Treasury shares		(4,392)	(4,542)	(4,392)	(4,542)
Retained earnings		24,544	24,841	2,274	1,684
Reserves		20,446	21,203	18,953	18,956
Equity attributable to owners of the Company		50,685	51,589	26,922	26,185
Non-controlling interests		11	11	-	-
Total equity		50,696	51,600	26,922	26,185
Total liabilities and equity		108,820	102,346	27,072	26,376

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the six months and full year ended 31 December 2021

The Group

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve US\$'000	Treasury shares US\$'000	Employee share option reserve US\$'000	Merger reserve US\$'000	Statutory Reserve Fund US\$'000	Enterprise Expansion Fund US\$'000	Other Reserves US\$'000	Fair value adjustment reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance as at 1 January 2021	10,087	18,994	(193)	(4,542)	155	(7,020)	3,971	318	1,193	(223)	4,008	24,841	51,589	11	51,600
Total comprehensive expense for the period	-	-	-	-	-	-	-	-	-	19	(653)	(1,080)	(1,714)	-	(1,714)
Share-based payment expense	-	-	-	-	59	-	-	-	-	-	-	-	59	-	59
Transfer to Statutory Reserve Fund	-	-	-	-	-	-	9	-	-	-	-	(9)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(1,554)	(1,554)	-	(1,554)
Balance as at 30 June 2021	10,087	18,994	(193)	(4,542)	214	(7,020)	3,980	318	1,193	(204)	3,355	22,198	48,380	11	48,391
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	171	(305)	3,430	3,296	-	3,296
Share-based payment expense	-	-	-	-	16	-	-	-	-	-	-	-	16	-	16
Treasury shares transferred out to satisfy share options exercised	-	-	(47)	150	-	-	-	-	-	-	-	-	103	-	103
Transfer on share options exercised	-	-	-	-	(32)	-	-	-	-	-	-	32	-	-	-
Transfer to reserves	-	-	-	-	-	-	2	-	2	-	-	(4)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(1,110)	(1,110)	-	(1,110)
Balance as at 31 December 2021	10,087	18,994	(240)	(4,392)	198	(7,020)	3,982	318	1,195	(33)	3,050	24,546	50,685	11	50,696

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve US\$'000	Treasury shares US\$'000	Employee share option reserve US\$'000	Merger reserve US\$'000	Statutory Reserve Fund US\$'000	Enterprise Expansion Fund US\$'000	Other Reserves US\$'000	Fair value adjustment reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance as at 1 January 2020	10,087	18,994	(193)	(4,385)	41	(7,020)	3,946	318	1,190	(421)	2,238	25,837	50,632	11	50,643
Total comprehensive expense for the period	-	-	-	-	-	-	-	-	-	(33)	(276)	(351)	(660)	(1)	(661)
Share-based payment expense	-	-	-	-	56	-	-	-	-	-	-	-	56	-	56
Share purchased under Share Purchase Mandate and held in treasury shares	-	-	-	(157)	-	-	-	-	-	-	-	-	(157)	-	(157)
Transfer to Statutory Reserve Fund	-	-	-	-	-	-	25	-	-	-	-	(25)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(1,554)	(1,554)	-	(1,554)
Balance as at 30 June 2020	10,087	18,994	(193)	(4,542)	97	(7,020)	3,971	318	1,190	(454)	1,962	23,907	48,317	10	48,327
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	231	2,046	1,825	4,102	1	4,103
Share-based payment expense	-	-	-	-	58	-	-	-	-	-	-	-	58	-	58
Transfer to Other Reserves	-	-	-	-	-	-	-	-	3	-	-	(3)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(888)	(888)	-	(888)
Balance as at 31 December 2020	10,087	18,994	(193)	(4,542)	155	(7,020)	3,971	318	1,193	(223)	4,008	24,841	51,589	11	51,600

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the six months and full year ended 31 December 2021

The Company

	Share capital	Share premium of the Company	Share capital reserve	Treasury shares	Employee share option reserve	Retained earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2021	10,087	18,994	(193)	(4,542)	155	1,684	26,185
Total comprehensive loss for the period	-	-	-	-	-	(124)	(124)
Share-based payment expense	-	-	-	-	59	-	59
Dividend paid	-	-	-	-	-	(1,554)	(1,554)
Balance as at 30 June 2021	10,087	18,994	(193)	(4,542)	214	6	24,566
Total comprehensive profit for the period	-	-	-	-	-	3,347	3,347
Share-based payment expense	-	-	-	-	16	-	16
Treasury shares transferred out to satisfy share options exercised	-	-	(47)	150	-	-	103
Transfer on share option exercised	-	-	-	-	(32)	32	-
Dividend paid	-	-	-	-	-	(1,110)	(1,110)
Balance as at 31 December 2021	10,087	18,994	(240)	(4,392)	198	2,275	26,922

	Share capital	Share premium of the Company	Share capital reserve	Treasury shares	Employee share option reserve	Retained earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2020	10,087	18,994	(193)	(4,385)	41	2,958	27,502
Total comprehensive income for the period	-	-	-	-	-	1,854	1,854
Shares purchased under Share Purchase Mandate and held in treasury shares	-	-	-	(157)	-	-	(157)
Share-based payment expense	-	-	-	-	56	-	56
Dividend paid	-	-	-	-	-	(1,554)	(1,554)
Balance as at 30 June 2020	10,087	18,994	(193)	(4,542)	97	3,258	27,701
Total comprehensive loss for the period	-	-	-	-	-	(686)	(686)
Share-based payment expense	-	-	-	-	58	-	58
Dividend paid	-	-	-	-	-	(888)	(888)
Balance as at 31 December 2020	10,087	18,994	(193)	(4,542)	155	1,684	26,185

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months and full year ended 31 December 2021

	The Group			
	Six months ended 31 December		Year ended 31 December	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
OPERATING ACTIVITIES				
Profit before income tax	4,384	2,946	4,019	3,404
Adjustments for				
Increase / (Decrease) in allowance for inventories	(259)	(264)	43	(385)
Depreciation of property, plant and equipment	692	636	1,388	1,253
Depreciation of right-of-use assets	878	871	1,783	1,691
Interest income	(73)	(63)	(137)	(160)
Finance costs	145	168	305	294
Net loss on disposal of property, plant and equipment	161	59	155	78
Gain on termination of lease contracts	2	-	-	(1)
Gain on disposal of subsidiary	-	(4)	-	(4)
Retirement benefit obligations	(118)	46	(74)	120
Share of loss / (profit) of associates	262	(83)	431	219
Share-based payment expense	16	58	75	114
Increase/(decrease) in expected credit losses of trade receivables	4	(233)	4	(233)
Operating cash flows before movements in working capital	6,094	4,137	7,992	6,390
Change in working capital:				
Trade receivables, other receivables and prepayments	(6,347)	(2,011)	(841)	(3,925)
Inventories	(8,893)	(492)	(13,296)	(3,194)
Amount due to / from an associate	(45)	(56)	(243)	(957)
Trade payables, other payables and accruals	11,981	8,296	11,894	7,974
Cash generated from operations	2,790	9,874	5,506	6,288
Net income tax paid	(1,094)	(1,019)	(1,704)	(1,627)
Interest paid	(85)	(79)	(171)	(144)
Net cash generated from operating activities	1,611	8,776	3,631	4,517
INVESTING ACTIVITIES				
Proceeds from disposal of property, plant and equipment	199	14	249	95
Purchase of convertible Bonds	(800)	-	(800)	-
Decrease / (increase) in other assets	216	(110)	168	(103)
Additional investment in equity investment designated at fair value through other comprehensive income	-	(5)	(6)	(11)
Purchase of property, plant and equipment	(871)	(1,047)	(1,278)	(1,333)
Interest income received	73	63	137	160
Withdrawal of restricted bank deposits	-	151	-	149
Net cash inflow arising on disposal of subsidiary	-	2	-	2
Increase in time deposit with original maturity of over 3 months	(1,078)	(169)	(909)	(169)
Net cash used in investing activities	(2,261)	(1,101)	(2,439)	(1,210)
FINANCING ACTIVITIES				
Increase in pledged bank deposit	-	(2)	-	-
Payment for the share buyback	-	-	-	(157)
Proceeds from bank borrowings	5,200	12,460	10,400	20,634
Repayment of principal portion of lease liabilities	(886)	(869)	(1,781)	(1,675)
Repayment of interest element on lease liabilities	(60)	(89)	(134)	(150)
Repayment of bank borrowings	(4,850)	(5,229)	(12,850)	(16,870)
Dividend paid	(1,110)	(888)	(2,664)	(2,442)
Proceeds from share options exercised	103	-	103	-
Net cash from / (used in) financing activities	(1,603)	5,383	(6,926)	(660)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,253)	13,058	(5,734)	2,647
NET EFFECT OF CURRENCY TRANSLATION DIFFERENCES	(241)	1,115	(923)	1,714
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	28,664	18,654	32,827	28,466
CASH AND CASH EQUIVALENTS AT END OF PERIOD	26,170	32,827	26,170	32,827
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash at banks and on hand	21,814	30,550	21,814	30,550
Short-term deposits	4,356	2,277	4,356	2,277
Time deposits with original maturity of over three months	1,078	169	1,078	169
Cash and cash equivalents as stated in the consolidated statement of financial position	27,248	32,996	27,248	32,996
Less: Time deposits with original maturity of over three months	(1,078)	(169)	(1,078)	(169)
Cash and cash equivalents as stated in the consolidated statement of financial position	26,170	32,827	26,170	32,827

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

CDW Holding Limited (the “Company”) (Registration number 35127) is a limited company incorporated in Bermuda and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The registered office of the Company was located at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda and the principal place of business of the Company is located at Rooms 06 to 10, 11th Floor, CCT Telecom Building, 11 Wo Shing Street, Fo Tan, Shatin, New Territories, Hong Kong.

The condensed interim consolidated financial statements as at and for the year ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the “Group”). The primary activity of the Company is investment holding.

The principal activities of the Group are the provision of LCD backlight units for LCD modules; parts and precision accessories for office equipment, electrical appliances and LCD modules; OEM business; food and beverage; Bio-Tech related research and development, healthcare and beauty products and the holding of Bio-related intellectual properties.

2 BASIS OF PREPARATION

The condensed interim consolidated financial statements for the six months and full year ended 31 December 2021 have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”), the applicable disclosure requirements of Rule 705 of the Listing Manual (the “SGX Listing Manual”) of the SGX-ST. These condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with International Financial Reporting Standards (“IFRSs”), except for the adoption of new and amended standards as set out in Note 2.1.

The consolidated financial statements are presented in United States Dollars (“US\$”) and all values in the tables are rounded to the nearest thousand (US\$’000), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

There are no accounting pronouncements which have become effective from 1 January 2021 that have a significant impact on the Group’s interim condensed consolidated financial statements.

Other Standards and amendments that are effective for the first time in 2021 (for entities with a 31 December 2021 year-end) and could be applicable to the Group are:

- Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- COVID-19 Rent Related Concessions (Amendments to IFRS 16)

These amendments do not have a significant impact on these Interim Financial Statements and therefore the disclosures have not been made.

2.2 Use of judgements and estimates

The preparation of the Group’s condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. The judgements, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

3 SEASONAL OPERATIONS

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 REVENUE AND SEGMENT INFORMATION

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

- i) LCD Backlight Units - Manufacturing of LCD backlight units for LCD modules.
- 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 modules, and the business of original equipment manufacturer.
- iv) Others - Other businesses including general trading, food and beverage, Bio-Tech related research and development, health care and beauty products and the holding of Bio-related intellectual properties.

Timing of revenue recognition

All the revenue of the Group is recognized when the goods are transferred at a point in time.

Business segment for the year ended 31 December 2021

	LCD Backlight Units US\$'000	Office Automation US\$'000	LCD Parts and Accessories US\$'000	Others US\$'000	Eliminations US\$'000	Consolidated US\$'000
Revenue from contracts with customers						
External sales of goods by geographical markets						
Mainland China	72,176	4,143	10,626	-		86,945
Hong Kong	11,257	3,908	18,284	-		33,449
Japan	11,968	5,713	3,203	960		21,844
Other	-	157	844	-		1,001
	95,401	13,921	32,957	960	-	143,239
Inter-segment sales	-	3,579	1,337	-	(4,916)	-
Total revenue	95,401	17,500	34,294	960	(4,916)	143,239
Results						
Segment result	5,536	(451)	2,805	(1,264)		6,626
Unallocated corporate expense						(2,008)
Operating profit						4,618
Interest income						137
Finance costs						(305)
Share of loss of an associate						(431)
Profit before income tax						4,019
Income tax expense						(1,669)
Loss after income tax						2,350
Assets						
Segment assets	62,659	10,356	30,239	1,116	(560)	103,810
Unallocated assets						5,010
Consolidated total assets						108,820
Liabilities						
Segment liabilities	30,526	4,774	7,769	201	(560)	42,710
Bank borrowings and lease liabilities						13,476
Unallocated liabilities						1,938
Consolidated total liabilities						58,124
Other information						
Capital expenditure	1,200	21	51	6		1,278
Right-of-use assets	351	68	142	10		571
Depreciation of property, plant and equipment	798	275	306	9		1,388
Depreciation of right-of-use assets	946	260	563	14		1,783
Increase in allowance for inventories	23	18	2	-		43

Business segment for the year ended 31 December 2020

	LCD Backlight Units US\$'000	Office Automation US\$'000	LCD parts and Accessories US\$'000	Others US\$'000	Eliminations US\$'000	Consolidated US\$'000
Revenue from contracts with customers						
External sales of goods by geographical markets						
Mainland China	67,564	4,377	9,299	-		81,240
Hong Kong	6,154	3,628	2,230	-		12,012
Japan	9,946	4,957	2,213	1,145		18,261
Other	-	215	98	-		313
	83,664	13,177	13,840	1,145	-	111,826
Inter-segment sales	-	410	1,008	-	(1,418)	-
Total revenue	83,664	13,587	14,848	1,145	(1,418)	111,826
Results						
Segment result	5,798	125	1,176	(29)		7,070
Unallocated corporate expense						(3,317)
Operating profit						3,753
Interest income						160
Finance costs						(294)
Share of loss of an associate						(219)
Gain on disposal of a subsidiary						4
Profit before income tax						3,404
Income tax expense						(1,930)
Loss after income tax						1,474
Assets						
Segment assets	65,908	12,829	18,217	1,321	(481)	97,794
Unallocated assets						4,552
Consolidated total assets						102,346
Liabilities						
Segment liabilities	23,770	4,137	3,822	207	(481)	31,455
Bank borrowings and lease liabilities						17,248
Unallocated liabilities						2,043
Consolidated total liabilities						50,746
Other information						
Capital expenditure	860	30	439	4		1,333
Right-of-use assets	1,879	99	47	-		2,025
Depreciation of property, plant and equipment	784	168	291	10		1,253
Depreciation of right-of-use assets	885	302	464	40		1,691
Decrease in allowance for inventories	(289)	(63)	(33)	-		(385)

Other Geographical Segment information for the year ended 31 December 2021 and 2020

	Non-Current Assets		Capital Expenditure	
	Year ended 31 December		Year ended 31 December	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
PRC	5,462	6,288	1,167	896
Japan	1,830	2,437	95	57
Hong Kong	589	809	14	24
Others	989	1,493	2	356
Total	8,870	11,027	1,278	1,333

Non-current assets are mainly comprised property, plant and equipment, right-of-use assets and deposits.

Information about major customer

Revenue from one key customer which has transactions with all segments accounted for 65.5% of the total revenue for the year ended 31 December 2021 (Year ended 31 December 2020: 63.6%).

5 INVESTMENTS

Financial assets and financial liabilities

The following table shows an analysis of assets and liabilities measured at fair value at the end of the reporting period:

	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant observable inputs other than quoted prices (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	Total US\$'000
Financial assets:				
31 December 2021				
Non-current assets measured at fair value				
Equity investments designated at fair value through other comprehensive income:				
Listed equity investment at fair value (Sharp Corporation)				
	92	-	-	92
Unlisted equity investment at fair value (LGM Co., Limited)				
	-	-	1,160	1,160
Convertible bonds at fair value (A Biotech Company Limited)				
	-	-	800	800
Total non-current assets measured at fair value	<u>92</u>	<u>-</u>	<u>1,960</u>	<u>2,052</u>
31 December 2020				
Non-current assets measured at fair value				
Equity investments designated at fair value through other comprehensive income:				
Listed equity investment at fair value (Sharp Corporation)				
	116	-	-	116
Unlisted equity investment at fair value (LGM Co., Limited)				
	-	-	990	990
Total non-current assets measured at fair value	<u>116</u>	<u>-</u>	<u>990</u>	<u>1,106</u>

Level 3 fair value measurements

The movements in fair value measurements within Level 3 during the periods are as follows:

	2021 US\$'000	2020 US\$'000
Equity investment designated at fair value through other comprehensive income		
At 1 January	990	726
Total gain recognized in other comprehensive income	-	212
Exchange difference	(1)	52
At 30 June	989	990
Subscription of convertible bonds	-	800
Total gain recognized in other comprehensive income	268	-
Exchange difference	(5)	-
At 31 December	<u>2,052</u>	<u>990</u>

During the period ended 31 December 2021 and 31 December 2020, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3.

Below is a summary of the valuation techniques used and the key inputs to the valuation of financial assets under Level 3 fair value measurement as at 30 June 2021 and 31 December 2020.

	Valuation techniques	Significant unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
31 December 2021				
Unlisted equity investment at fair value	Recent transaction method under market approach and equity allocation model	Equity volatility	40% to 65%	5% increase in volatility would result in increase in fair value by US\$16,329
		Discount for lack of marketability	9% to 20%	5% increase in discount rate would result in increase in fair value by US\$23,159
31 December 2020				
Unlisted equity investment at fair value	Recent transaction method under market approach and equity allocation model	Equity volatility	50% to 65%	5% increase in volatility would result in increase in fair value by US\$16,344
		Discount for lack of marketability	8% to 20%	5% increase in discount rate would result in increase in fair value by US\$23,327

Currents assets measured at amortized cost

	2021 US\$'000	2020 US\$'000
Loan and receivables, at amortized cost	<u>1,356</u>	<u>1,506</u>

Financial assets and financial liabilities not carried at fair value but for which fair value is disclosed

There is no significant change in the Group's and the Company's assets and liabilities not measured at fair value but for which fair value is disclosed at 31 December 2021 and 31 December 2020.

6 FINANCIAL INSTRUMENTS

Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Financial assets:				
Equity investments designated at fair value through other comprehensive income	2,052	1,106	-	-
At amortized cost (including cash and cash equivalents)	<u>66,596</u>	<u>72,216</u>	<u>15,624</u>	<u>14,808</u>
Financial liabilities:				
At amortized cost	<u>56,180</u>	<u>48,717</u>	<u>150</u>	<u>191</u>

Analysis of financial instruments by remaining contractual maturity

The table below summarizes the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	2021				2020			
	One year or less US\$'000	One to five years US\$'000	Over five years US\$'000	Total US\$'000	One year or less US\$'000	One to five years US\$'000	Over five years US\$'000	Total US\$'000
GROUP								
Financial assets:								
Trade and other receivables	37,992	-	-	37,992	37,714	-	-	37,714
Cash and short-term deposits	27,278	-	-	27,278	33,033	-	-	33,033
Loans and receivables	1,549	-	-	1,549	1,558	-	-	1,558
Total undiscounted financial assets	<u>66,819</u>	<u>-</u>	<u>-</u>	<u>66,819</u>	<u>72,305</u>	<u>-</u>	<u>-</u>	<u>72,305</u>
Financial liabilities:								
Trade and other payables	42,704	-	-	42,704	31,469	-	-	31,469
Lease liabilities, unsecured								
Principal	1,441	1,262	-	2,703	1,721	2,277	-	3,998
Interest	45	52	-	97	68	114	-	182
Bank borrowing, unsecured								
Principal	9,141	1,768	-	10,909	10,500	2,750	-	13,250
Interest	87	30	-	117	218	76	-	294
Total undiscounted financial liabilities	<u>53,418</u>	<u>3,112</u>	<u>-</u>	<u>56,530</u>	<u>43,976</u>	<u>5,217</u>	<u>-</u>	<u>49,193</u>
Total net undiscounted financial assets/(liabilities)	<u>13,401</u>	<u>(3,112)</u>	<u>-</u>	<u>10,289</u>	<u>28,329</u>	<u>(5,217)</u>	<u>-</u>	<u>23,112</u>
COMPANY								
Financial assets:								
Other receivables	-	-	-	-	34	-	-	34
Cash and short-term deposits	101	-	-	101	169	-	-	169
Amount due from a subsidiary	-	16,165	-	16,165	-	15,104	-	15,104
Total undiscounted financial assets	<u>101</u>	<u>16,165</u>	<u>-</u>	<u>16,266</u>	<u>203</u>	<u>15,104</u>	<u>-</u>	<u>15,307</u>
Financial liabilities:								
Other payables	150	-	-	150	191	-	-	191
Total undiscounted financial liabilities	<u>150</u>	<u>-</u>	<u>-</u>	<u>150</u>	<u>191</u>	<u>-</u>	<u>-</u>	<u>191</u>
Total net undiscounted financial assets	<u>(49)</u>	<u>16,165</u>	<u>-</u>	<u>16,116</u>	<u>12</u>	<u>15,104</u>	<u>-</u>	<u>15,116</u>

7 OTHER INCOME

	The Group			
	Six months ended 31 December		Year ended 31 December	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Interest income	73	63	137	160
Gain on disposal of property, plant and equipment	5	3	11	3
Gain on disposal of subsidiaries	-	4	-	4
Compensation from government	-	221	51	313
Reversal of provision for expected credit losses				
on receivables	82	254	82	254
Sundry income	42	220	103	248
Gain on termination of leased contract	-	-	2	1
Net foreign exchange gain	614	267	691	398
	<u>816</u>	<u>1,032</u>	<u>1,077</u>	<u>1,381</u>

8 FINANCE COSTS

	The Group			
	Six months ended		Year ended	
	31 December		31 December	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Interest expenses on:				
Bank borrowings	85	79	171	144
Lease liabilities	60	89	134	150
	<u>145</u>	<u>168</u>	<u>305</u>	<u>294</u>

9 PROFIT BEFORE TAX

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

	The Group			
	Six months ended		Year ended	
	31 December		31 December	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Audit fees paid to:				
Auditor of the Company	148	210	302	329
Other auditors	59	80	165	194
Non-audit fees paid to:				
Auditor of the Company	3	3	6	5
Other auditors	6	8	13	15
Employee benefit expenses	11,781	10,932	24,465	21,636
Depreciation of property, plant and equipment	692	636	1,388	1,253
Depreciation of right-of-use assets	878	871	1,783	1,691
Increase/(decrease) in provision for inventories	259	264	(43)	385
Inventories recognized as an expense				
in cost of sales	64,025	49,641	117,127	89,287
Net loss on disposal of property,				
Plant and equipment	161	59	155	78
Gain on termination of lease contracts	2	-	-	(1)
Net foreign exchange loss/(gain) (Note)	554	568	822	542
Expected Credit losses of trade receivables	89	-	89	-
Expected Credit losses of trade receivables				
written back	(72)	(254)	(72)	(254)
Expected Credit losses of amount				
due from associate	-	21	-	21
Expected Credit losses of amount				
due from associate written back	(10)	-	(10)	-
Gain on disposal of subsidiaries	-	(4)	-	(4)

Note: The foreign currency exchange loss for the six months and full year ended 31 December 2021 comprised mainly unrealized loss net of unrealized gain on translating monetary assets less monetary liabilities in foreign currencies, mainly United States dollars, Renminbi and Japanese yen, to functional currency at each Group entity, and realized loss net of realized gain on payments denominated in foreign currencies other than the functional currency in each Group entity.

10 INCOME TAX EXPENSE

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings.

The major components of income tax expense for the six months and full year ended 31 December 2021 and 2020 are:

	The Group			
	Six months ended 31 December		Year ended 31 December	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Current income tax	998	997	1,704	1,796
Deferred tax	(44)	123	(35)	134
	<u>954</u>	<u>1,120</u>	<u>1,669</u>	<u>1,930</u>

11 EARNINGS PER SHARE

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

	Six months ended 31 December		Year ended 31 December	
	2021	2020	2021	2020
Based on weighted average number of ordinary shares in issue (US cents)				
- Basic	1.54	0.82	1.06	0.66
- Fully diluted (Note a)	1.52	0.82	1.04	0.66
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (Note b)	222,498,278	221,987,408	222,244,942	222,115,116
Effect of dilutive share options	2,972,331	274,188	3,085,716	189,875
	<u>225,470,609</u>	<u>222,261,596</u>	<u>225,330,658</u>	<u>222,304,991</u>

Note a: Diluted effect on earnings per share referred to share options granted to the participants under the Company's Share Option Scheme remained outstanding as at the end of the period under review.

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

12 DIVIDENDS

	The Group and Company	
	2021 US\$'000	2020 US\$'000
Declared and paid during the period:		
Dividend on ordinary shares:		
Final exempt dividend for 2020: US\$0.7 cent per share (Second interim exempt dividend for 2019: US\$0.7 cent per share)	1,554	1,554
Interim exempt dividend for 2021: US\$0.5 cent per share (Interim exempt dividend for 2020: US\$0.4 cent per share)	1,110	888
	<u>2,664</u>	<u>2,442</u>

Declared but not recognized as a liability:

Estimated dividends on ordinary shares as at 31 December:

Final exempt dividend for 2021: US\$0.7 cent per share

(Final exempt dividend for 2020: US\$0.7 cent per share)

1,561 1,554

Date payable

The Company proposed a final dividend of 0.7 US cents per ordinary shares and will be payable on 20 May 2022.

Books closure date

The Share Transfer books and Register of Members of the Company will be closed on 11 May 2022 at 5:00 pm, after which no share transfer will be effected until 5:00 pm on 12 May 2022. Duly completed transfers received by the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Limited of 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, up to the close of business at 5:00 pm on 11 May 2022 will be registered to determine shareholders' entitlement to the dividend.

13 PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2021, the Group acquired assets with a cost of US\$1,278,000 (31 December 2020: US\$1,333,000).

Assets with a net book value of US\$404,000 were disposed by the Group during the year ended 31 December 2021 (31 December 2020: US\$173,000), resulting in a net loss on disposal of US\$155,000 (31 December 2020: net loss of US\$78,000).

14 INVESTMENT IN ASSOCIATES

(a) The Group's investment in the associates are summarized below:

The following table illustrates the aggregate financial information of the Group's associates.

	The Group			
	Six months ended		Year ended	
	31 December		31 December	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Share of the associates' profit / (loss) for the period	(262)	83	(431)	(219)
Share of the associates' total comprehensive income / (expense)	(262)	83	(431)	(219)
Aggregate carrying amount of the Group's investments in the associates	<u>1,048</u>	<u>1,598</u>	<u>1,048</u>	<u>1,598</u>

(b)

	Year ended	
	31 December	2020
	2021	2020
	US\$'000	US\$'000
Amount due from an associate	1,590	1,363
Allowance for expected credit loss	(11)	(21)
	<u>1,579</u>	<u>1,342</u>

The amounts due from/to associates are unsecured, bearing interest at a rate of the US dollar best lending rate plus 1% and are repayable within 12 months from the end of the reporting period.

During the year ended 31 December 2021, the expected credit loss on the amount due from an associate, A Bio, was assessed with reference to the probability of default rate in the biotechnology industry and the average corporate debt recovery rates in the market. The allowance for the loss is adjusted to reflect the

current conditions and forecasts of future economic conditions. As such, the Group provided an allowance for ECLs of US\$11,000 (31 December 2020: US\$21,000) as at 31 December 2021.

15 INVENTORIES

	The Group	
	Year ended 31 December 2021	2020
	US\$'000	US\$'000
Consolidated statement of financial position:		
Raw materials	19,495	7,602
Work-in-progress	137	378
Finished goods	7,247	5,489
	<u>26,879</u>	<u>13,469</u>

	The Group			
	Six months ended 31 December		Year ended 31 December	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Consolidated statement of profit or loss:				
Inventories recognized as an expense in cost of sales	64,025	49,641	117,127	89,287
Increase / (decrease) in provision for inventories included in cost of sales	<u>259</u>	<u>(264)</u>	<u>43</u>	<u>(385)</u>

Provision for inventories has been made in full for the inventories with poor sales prospects.

16 CASH AND BANK BALANCES

	The Group		The Company	
	31 December 2021	31 December 2020	30 December 2021	31 December 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Cash at banks and on hand	21,814	30,550	100	169
Short-term deposits	4,356	2,277	-	-
Time deposit with original maturity of over three months	1,078	169	-	-
	<u>27,248</u>	<u>32,996</u>	<u>100</u>	<u>169</u>

Cash and bank balances comprise cash held by the Group and the Company, short-term bank deposits with an original maturity of three months or less, and time deposit with original maturity of over three months.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 30 days to 180 days (2020: 30 days and 180 days), depending on the immediate cash requirements of the Group and the Company, and earns interest at the respective short-term deposit rates. The weighted average effective interest rate as at 31 December 2021 for the Group was 0.1% per annum (31 December 2020: 0.2%).

The Group's cash and bank balances denominated in foreign currencies of the respective entities are as follows:

	The Group	
	31 December 2021	31 December 2020
	US\$'000	US\$'000
JPY	692	179
US\$	7,655	15,694
HK\$	666	-
RMB	9	15
SG\$	<u>60</u>	<u>166</u>

17 BANK BORROWINGS

	Maturity	The Group	
		31 December 2021 US\$'000	31 December 2020 US\$'000
Current:			
Bank borrowings, unsecured	2021 (31 Dec 2020: 2021)	3,000	2,650
Bank borrowings, unsecured	On demand	<u>6,050</u>	<u>7,850</u>
		<u>9,050</u>	<u>10,500</u>
Non-current:			
Bank borrowings, unsecured	2024 (2020: 2024)	<u>1,750</u>	<u>2,750</u>
Total bank borrowings		<u><u>10,800</u></u>	<u><u>13,250</u></u>

The bank borrowings on demand have maturity of less than one year.

The bank borrowings are unsecured and bear interest at rates ranging from 0.935% to 2.75% per annum (31 Dec 2020: 0.65% to 2.75%).

Bank borrowings amounting to US\$8,050,000 (31 Dec 2020: US\$9,500,000) are unsecured and carry variable interest rates quoted by the banks with reference to their cost of fund.

Bank borrowings amounting to US\$2,750,000 (31 Dec 2020: US\$3,750,000) are unsecured and carry fixed interest rates.

Management considered the fair value of the Group's fixed rate bank borrowings is US\$2,805,000 (31 Dec 2020: US\$3,842,000).

Details of collateral

As at 31 December 2021, the Group did not pledge any bank deposits (31 December 2020: Nil) to financial institutions to secure banking facilities granted to the Group.

18 RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in these financial statements, the Group had the following transactions with related parties during the period.

	The Group			
	Six months ended 31 December		Year ended 31 December	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Associates:				
Provision of financial assistance (note i)	-	-	1,290	1,350
Interest income (note ii)	33	24	58	39
Purchase of products (note iii)	232	176	484	575
Sales of products (note iv)	10	-	10	2
Interest income (note v)	<u>26</u>	<u>26</u>	<u>52</u>	<u>60</u>

Notes:

- (i) The Group provide financial assistance to A Bio at mutually agreed terms.
- (ii) The Group received interest from A Bio for the amount due from A Bio at mutually agreed terms.
- (iii) The Group was sold goods to Suzhou Pengfu at mutually agreed terms.
- (iv) The Group has purchased goods from Suzhou Pengfu according to the conditions offered by the associate to major customers.
- (v) The Group received interest from the relevant party for the loan due from the relevant party at mutually agreed terms.

Compensation of directors and key management personnel

	The Group			
	Six months ended 31 December		Year ended 31 December	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Salaries, allowances and benefits in kind	1,169	932	2,055	1,814
Defined contribution plans	26	19	42	37
Share-based payment	16	57	75	114
	<u>1,211</u>	<u>1,008</u>	<u>2,172</u>	<u>1,965</u>
Comprise amounts paid to:				
Directors of the Company	597	512	1,102	992
Other key management personnel	614	496	1,070	973
	<u>1,211</u>	<u>1,008</u>	<u>2,172</u>	<u>1,965</u>

The remuneration of directors and key management personnel is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

19 SUBSEQUENT EVENTS

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Share Capital, Treasury Shares, Share Option and Subsidiary Holdings

Share Capital

During the six months and full year ended 31 December 2021, the Company did not purchase any ordinary shares under the Share Purchase Mandate and held as treasury share. As at 31 December 2021, the Company's issued the fully paid up share capital was US\$10,087,084 represented by 222,987,408 ordinary shares (excluding treasury shares) and 29,189,702 ordinary shares held as treasury shares.

Treasury shares

	The Company			
	2021		2020	
	Number of shares	US\$'000	Number of shares	US\$'000
Balance as at 1 January	30,189,702	4,542	28,987,102	4,385
Ordinary Shares purchased during the first half year	-	-	1,202,600	157
Treasury shares transferred out to satisfy Share Options exercised	(1,000,000)	(150)	-	-
Balance as at 31 December	<u>29,189,702</u>	<u>4,392</u>	<u>30,189,702</u>	<u>4,542</u>

	As at 31 December 2021	As at 31 December 2020
Issued shares	252,177,110	252,177,110
Less: Treasury shares	(29,189,702)	(30,189,702)
Total number of issued shares excluding treasury shares	<u>222,987,408</u>	<u>221,987,408</u>

During the six months and full year ended 31 December 2021, there were no sales, transfers, disposal and / or use of treasury shares, except for 1,000,000 treasury shares which were transferred out to satisfy 1,000,000 share options being exercised under CDW Employee Share Option Scheme 2018. As at 31 December 2021, there were 29,189,702 (31 December 2020: 30,189,702) ordinary shares held as treasury shares.

Share Options

On 21 August 2019, the Chief Executive Officer of the Company proposed to grant options to six directors and three senior executives (the "Participants") to subscribe for a total of 7,250,000 ordinary shares of US\$0.04 each in the capital of the Company, pursuant to CDW Employees Share Options Scheme 2018. This proposal was adopted and administrated by the Remuneration Committee. The options granted were accepted by the Participants in August 2019. The options were exercisable at S\$0.14 per share with an exercise period commencing from 21 August 2021 to 20 August 2024 (both days inclusive).

During the six months and full year ended 31 December 2021, 1,000,000 share options were exercised and no share option was neither lapsed nor cancelled. The number of outstanding options as at 31 December 2021 was 6,250,000 (31 December 2020: 7,250,000) with exercise price at S\$0.14.

Subsidiary Holdings

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

2. Review

The condensed interim statements of financial position of the Group and its subsidiaries as at 31 December 2021 and the related condensed interim consolidated statement of profit or loss and condensed interim consolidated statement of other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-months and full year then ended and certain explanatory notes have not been audited or reviewed.

3. Review of performance of the Group

STATEMENT OF PROFIT AND LOSS

For the financial year ended 31 December 2021 (“FY2021”), the Group achieved a total revenue amounting to US\$143.2 million, representing an increase in revenue by US\$31.4 million (28.1%) from the US\$111.8 million attained for the financial year ended 31 December 2020 (“FY2020”). Despite the multiple challenges faced due to Sino-US trade tensions, the COVID-19 pandemic, as well as a global semiconductor chip shortage, the increase in revenue was brought about by the increase in orders for our LCD Backlight Units segment, namely for automobile digital instrument panels of sizes over 8 inches, and OEM products for LCD Parts and Accessories segment. Such turnaround in the Group’s business in the second half of the year in review (“2H2021”) also led to an increase in gross profit from US\$22.5 million in FY2020 to US\$26.1 million for FY2021. The Group’s gross profit margin however, saw a reduction mainly due to the lower margin in the OEM division notwithstanding the increase in orders.

Other operating income for FY2021 decreased by US\$0.4 million to US\$1.0 million from the US\$1.4 million in FY2021. Other operating income mainly consisted of foreign exchange gains, together with profit on disposal of assets, government subsidy fund, rental reduction and interest incomes, amongst others. In terms of the Group’s expenses in FY2021, distribution expenses increased by US\$0.7 million to US\$4.0 million (FY2020: US\$3.3 million) while administrative expenses grew by US\$1.8 million to US\$18.5 million from the US\$16.7 million in FY2020. The rise in distribution expenses was mainly due to increases in packing materials, for larger size backlight units for automobile digital instrument panels.

Administrative expenses remained relatively stable during the year in review, with the increase mainly from exchange impact and miscellaneous expenses which included the share of research and development expenses for training and transfer of technical knowledge to A Biotech Co., Limited (“A Bio”), the Group’s associated company. A Bio, is still in the initial stage of development, particularly incurring research and development expenses, continued its loss into FY2021 and the Group shared an operating loss at US\$0.4 million compared to FY2020’s US\$0.2 million.

Finance costs inched slightly upwards to US\$0.3 million in FY2021. This was due to the continuing low interest environment that resulted in minimal interest expenses on bank borrowings paid.

Income tax expense for FY2021 reduced by US\$0.2 million to US\$1.7 million from US\$1.9 million in FY2020, and this was attributable to the profit generated by the Group’s profit-making subsidiaries.

In FY2021, the Group recorded a profit before income tax of US\$4.0 million compared to the US\$3.4 million recorded in FY2020. Profit after income tax was registered at US\$2.4 million against FY2020’s US\$1.5 million.

LCD Backlight Units (“LCD BLUs”)

For the year under review, revenue from the Group’s LCD Backlight Units segment continued to be strong despite the twin impacts of the COVID-19 pandemic as well as the global shortage of semiconductors. The LCD Backlight Units segment achieved an increase of US\$11.7 million or 14.0% compared to the revenue of US\$83.7 million in FY2020. The strong growth was underpinned by the strong demand in orders, particularly by automakers for the larger-sized automobile digital instrument panels used in premium cars as well as high-end personal computers. The operating profit from this segment amounted to US\$5.5 million in FY2021, representing a slight decrease of US\$0.3 million or 5.2% (FY2020: US\$5.8 million). Operating margin stood at 5.8% compared to 6.9% in FY2020 attributable to the higher material costs in the larger size of backlight units for automobile digital instrument panel.

Total sales volume for the LCD BLU segment in FY2021 grew 11.1%, supported by the trend of continuous robust growth of automotive LCD Backlight Units over ten inches. The sales volume for large sized automotive digital instrument panels alone rose 94.3% from FY2020. Larger automotive backlight units are shaping up to be the key growth driver for this segment.

During FY2021, the Group sold a total number of units of 8.4 million units, compared to 7.6 million units during FY2020. Amongst these include backlight units for handsets, automotive digital instrument panels, personal notebook computers and smart phones.

LCD BLUs with the size of over 8 inches for the displays of automotive digital instrument panels and ultrathin notebooks represented 60.7% and 28.7% of LCD BLU sales respectively (FY2020: 43.3% and 42.7%).

Office Automation

The business conditions for the Office Automation segment remained tough due to ongoing COVID-19-related disruptions. Revenue slightly increased US\$0.7 million to reach US\$13.9 million in FY2021 compared to US\$13.2 million in FY2020 with continued low demands. The Group has however, negotiated with its clients to absorb the increase in materials costs, which have aided in the segment's performance slightly.

LCD Parts and Accessories

For the year in review, the Group's LCD Parts and Accessories segment saw a recovery and expansion, with revenue picking up from US\$13.8 million in FY2020 to US\$33.0 million (139.1%). This increase was mainly led by the strong demand in OEM products under this segment, newer models introduced, orders for a more profitable product mix as well as a new contract win. The segment recorded an operating profit margin of 8.5% (FY2020: 8.5%).

The Group has also secured a new contract from a new customer, Loupedeck Ltd., to produce the latest video-editing console.

Life Sciences

The Life Sciences business that the Group diversified into is still at its initial stage. Even while revenue inched slightly up, the Life Sciences segment continues to incur huge R&D expenses, which led to losses in FY2021. The YOSHIMI Night Cream X, an anti-aging skincare product based on the patent for pterostilbene glycosides was launched in October 2021. As sales have just started, there is no impact to the top and bottom line of the segment.

The Group has also obtained the distributorship from Nihon Trim Co. for the sales rights of its antioxidant water system in any countries as a global distributor, excluding Guangdong Province, China and Indonesia. This is also a new business initiative in its infancy stage, and has no material impact to the revenue and profit of the segment.

Other Segment

Consisting of mainly the food and beverage business, revenue for the Other Segment dipped slightly to US\$1.0 million for FY2021 due to restriction caused by the Japanese government's COVID-19 containment measures.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021, the Group's total assets and liabilities were respectively US\$108.8 million and US\$58.1 million, as compared to the US\$102.3 million and US\$50.7 million recorded as at 31 December 2020.

Current assets increased 9.5% as at 31 December 2021 as compared to US\$96.7 million as at 31 December 2020. Cash and bank balances decreased 17.6%, or US\$5.8 million to US\$27.2 million as at 31 December 2021, compared to US\$33.0 million recorded as at 31 December 2020.

In line with the growth in revenue for FY2021, inventory levels increased significantly from US\$13.5 million as at 31 December 2020 to US\$26.9 million as at 31 December 2021 in preparation for the surge in sales for the upcoming financial year due to the recovery in orders as well as the strong demand in orders by automakers for LCD Backlight Units. Trade receivables maintained at same level of US\$35.7 million, with the debtor turnover term at around 83 days. The Group did not change its credit term of between 60 days to 90 days to customers.

Other receivables and prepayments of US\$3.9 million (31 December 2020: US\$3.3 million) were mainly utility deposits, advances to staff, prepaid expenses, income tax refund and VAT recoverable.

As at 31 December 2021, the Group's non-current assets recorded a total of US\$12.1 million as compared to US\$14.0 million as at 31 December 2020. Available-for-sale investments comprised of investments in quoted shares of SHARP Inc. and investments of securities of a company (LGM Co., Ltd.). There was a provision for impairment loss on available-for-sale investments in respect of LGM amounting to US\$0.08 million made in 2016. During the year, the Group subscribed a US\$0.8 million convertible bonds issued by A Bio for financing its daily operation and R&D activities. Investment in associate comprised of the acquisition of a 25% equity interests in Suzhou Pengfu Photoelectric Technology Company Limited and a 48.5% equity interests in ABio. There was no impairment loss on investment in an associate during the year.

Total liabilities remained stable at US\$58.1 million as compared to US\$50.7 million as at 31 December 2020. Bank and other borrowings were on track according to the repayment schedule.

Other payables and accruals comprised accruals for expenses, wage payable and VAT payable, accrual cost for business operations and deposits from customers, totaling US\$6.5 million as at 31 December 2021 (31 December 2020: US\$3.8 million).

Income tax payable was provided and adjusted under tax rules of different jurisdictions. The income tax charge net of payment remained at same level as last year at US\$0.6 million as at 31 December 2021.

Included in the non-current liabilities were retirement benefit obligations for directors in the Group's subsidiaries in Japan and deferred tax liabilities related to the withholding tax on dividends from the profit-making subsidiaries in China, both of which had no material fluctuations for the period.

STATEMENT OF CASH FLOWS

During the year under review, the Group generated operating cash flow of US\$8.0 million, up 25.0% from the previous year (FY2020: US\$6.4 million). Net cash generated from operating activities amounting to US\$3.6 million (FY2020: US\$4.5 million). The net cash from operating activities were mainly attributable to the settlement from trade receivables net of trade payables after deducting the funding for the increase in inventory. During the year, the Group paid income tax amounting to US\$1.7 million (FY2020: US\$1.6 million).

For investing activities, there was a net cash outflow of US\$2.4 million (FY2020: US\$1.2 million) over the year under review, mainly attributable to purchase of property, plant and equipment amounting to US\$1.4 million (FY2020: US\$1.3 million) less sales proceeds from the disposal of property, plant and equipment amounting to US\$0.4 million (FY2020: US\$0.1 million), and interest income of US\$0.2 million (FY2020: US\$0.2 million).

For financing activities, there was a net cash outflow of US\$7.0 million over the year under review (FY2020: US\$0.7 million). The financing activities mainly comprised the net repayment of bank borrowings amounting to US\$2.5 million during the year under review (FY2020: net proceeds from bank borrowing of US\$3.8 million). During the year under review, the Group did not purchase any shares under Shares Purchase Mandate, and repaid lease liabilities amounting to US\$1.8 million (FY2020: US\$1.7 million). In addition, the Group paid dividends to shareholders of US\$2.7 million for the year under review (FY2020: US\$2.4 million).

4. 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.

	31 December 2021	31 December 2020
Net asset value per ordinary share, excluding treasury shares (US cents)		
- The Group	22.73	23.24
- The Company	12.07	11.80

The calculation of the net asset value per ordinary share was based on total number of 222,987,408 (31 December 2020: 221,987,408) ordinary shares (excluding treasury shares).

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

Not applicable.

6. 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 challenges from FY2020—US-China trade tensions, global economic effects of the COVID-19 pandemic, operating in an industry with intense price competition and shortening product life cycles—continued their impact into the start of FY2021. The Group also faced increased headwinds due to soaring labour costs in China as well as the global shortage of semiconductors which caused the postponement of orders by customers. These in turn, pushed up the Group's labour and manufacturing costs, adding more pressure on profits.

Things took a turn for the better in the second half of FY2021, with the global shortage on semiconductors alleviating somewhat, and customer order had started to stabilize. The Group also managed to win contracts for OEM products, while the LCD BLU segment also showed improvements in its order book as well as revenue and profits.

The Group's OEM operations in the Philippines however, were further delayed by COVID-19 related travel restrictions and the Group had to outsource its OEM production work to Thailand. The OEM business was successfully set up in Thailand and the Group has since managed to overcome the difficulty in obtaining semiconductors. The Group's outsourcing partner will steadily increase their production capacity as more OEM orders come out.

While there still lies many challenges and uncertainties in the macroeconomic environment, the Group will continue to work with its customers to develop new products and actively grow its other businesses to diversify its revenue streams. It will also explore alternative manufacturing locations to reduce exposure to ongoing US-China trade tensions and continue to keep a lookout for any new business opportunities.

The Group does not see any going concern issue and continues to maintain a healthy financial position and liquidity. So far, neither the Group nor any of its counterparties have exercised temporary relief, force majeure clauses or termination of contractual obligations for material contracts. In addition, the Group does not see any threats to contractual rights or its ability to fulfil its obligations of any material contracts.

Business Segment Outlook

In FY2021, orders for larger-sized LCD Backlight Units used in the digital instrument panels for premium automobiles and ultrathin notebook computers continue to form the bulk of the demand and revenue. Larger automotive backlight units are shaping up to be the key growth driver for the LCD BLU segment. According to a report by market intelligence firm Future Market Insights, the global automotive display units market is predicted to grow at a CAGR of around 8.0% per year in the next decade until 2029. The Group is well-positioned to tap on the growing market in this segment and its LCD BLUs will also be used in one of the largest Japanese car brands from October 2022.

The Group's key customer continues to value the Group as a key supply chain partner, recognizing the Group's superior product quality, which is ranked the highest in product quality amongst their suppliers for LCD backlight units. Furthermore, the Group is also able to provide customers with superior service support with its Japan and China offices in close proximity to the key customer's head offices and factories. This allows for a quick response time to provide technical support, facilitate production planning, and address quality issues, if any. This superior service level also allows the Group to perform higher value-added activities with its key customer such as product development and design for their light guide panels and LCD backlight units for automobile digital instrument panels. Additionally, the Group has readily available production capacity to scale up in accordance with the customer's demand and has a good track record for competitiveness.

Both the Office Automation segment and LCD Parts and Accessories segment continue to face the challenges of intense price competition and model obsolescence which led to lesser models manufactured during FY2021. The Group will look into making higher-end models with higher margins and take measures to control costs so as to maintain profitability for the two segments.

The Group will be setting up an R&D department to improve the profitability of its OEM business, a subset of its LCD Parts and Accessories segment, as it steadily gears up. With the establishment of the R&D department, the Group will be able to move up the value chain to provide value-added activities and a wider range of offerings, from OEM contract manufacturing to participating in the product development and design process of its customers. The production in Thailand is well on track with the Group has receiving more orders from its customers, allowing this business division to expand with robust and increasing demand.

The Group also made some advances in its Life Science segment in FY2021, The Group's YOSHIMI Night Cream X was launched in October 2021, and the Group is looking to expand the sales of this skincare product. The Group's subsidiary Tomoike Bio Limited ("TBio"), together with ABio, have also started pre-clinical trials at the Korean National Cancer Center to evaluate the efficacy of anti-Cripto 1 antibody at inhibiting brain tumour growth. At the same time, the Group will also be conducting pre-clinical research using mouse efficacy studies for other cancer types, and plan to explore and expand the possibilities for its anti-Cripto 1 antibody.

The Group has also been exploring green businesses such as electric motor units, Nanomaterials coating and antioxidant water system, and aims to work towards bringing them to fruition.

Managing Risks and Looking Forward

The Group remains cautious in managing its operations, looking to contain costs, production volatility and efficiency amidst battling various external headwinds from US-China trade tensions, the impact of COVID-19, and other supply chain risks such as the global shortage of semiconductors.

The Group has been actively working with customers in all business segments to build greater rapport and working relationships, and pushing for higher-end and higher margin models and products for its various businesses in tandem with market trends in order to augment its profitability and margins.

The Group will continue to safeguard its employees against the ongoing COVID-19 pandemic, with the establishment of necessary precautions such as facemask-wearing, cleaning and sanitization, and temperature monitoring for its workers. The Company will also continue to follow any Government directives to deal with COVID-19 pandemic. With the pandemic being prolonged with the ongoing discovery of different mutant strains, the Group is cautiously optimistic about its business outlook for the coming financial year ending 31 December 2022 ("FY2022"), barring unforeseen circumstances. The Group recognizes that FY2022 will still potentially be full of uncertainties and challenges, especially with the rising geo-political tensions in Europe with the Russian Federation's attack on Ukraine and its possible impact on the global economy.

7. Confirmation by the issuer in compliance with Rule 720(1)

The Company has procured the undertakings in the format set out in Appendix 7.7 from all the Directors and Executive Officers.

8. Interested Person Transitions

The Group does not have a general mandate from shareholders for IPTs. The IPTs for the period are as follows:

Name of interested person	Nature of relationship	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)
		US\$'000	US\$'000
Mr. YOSHIMI Koichi - Interest on outstanding consideration of disposal of 280,000 shares of A Biotech Co., Limited	Associate of controlling shareholder	52	-
A Biotech Co., Limited - Provision of financial assistance - Subscription of convertible bond - Interest on financial assistance	Associate of controlling shareholder	1,290 800 58	- - -
Total		2,148	-

9. 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 3 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 the PRC and other areas. Revenue in the PRC and other areas accounted for 60.7% and 39.3% of the total revenue respectively. Total revenue increased by 28.1% to US\$143.2 million for the year ended 31 December 2021 as compared to the corresponding period in the previous year.

As at 31 December 2021, non-current assets located in the PRC, Japan and Hong Kong accounted for 61.6%, 20.6% and 6.6% of the total non-current assets of the Group respectively. During the year ended 31 December 2021, the Group invested a total capital expenditure of US\$1.3 million for the purchase of equipment in the PRC, and it was mainly for the purposes of replacement for more efficient machineries.

10. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

Pursuant to Rule 704(13) of the Listing Manual of Singapore Exchange Securities Trading Limited, CDW Holding Limited (the "Company") confirms that, to the best of our knowledge to date, there is no person occupying a managerial position in the Company, or in any of its principal subsidiaries, who is a relative of a Director or the Chief Executive Officer or a Substantial Shareholder of the Company.

BY ORDER OF THE BOARD

YOSHIKAWA Makoto
Chairman and Chief Executive Officer

DY MO Hua Cheung, Philip
Executive Director

1 March 2022