

Unaudited Full Year Financial Statements And Dividend Announcement for the Year / Fourth Quarter Ended 31 December 2019
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the fourth quarter and the financial year ended 31 December 2019**

	Note	Three months / Fourth quarter ended 31 December			Year ended 31 December		
		2019 US\$'000	2018 US\$'000	% Increase/ (Decrease)	2019 US\$'000	2018 US\$'000	% Increase/ (Decrease)
Revenue		30,897	26,193	18.0%	101,487	90,246	12.5%
Cost of sales		(24,453)	(21,149)	15.6%	(81,778)	(70,863)	15.4%
Gross profit		6,444	5,044	27.8%	19,709	19,383	1.7%
Other operating income		408	3,677	(88.9%)	1,076	5,245	(79.5%)
Distribution expenses		(729)	(441)	65.3%	(2,200)	(1,650)	33.3%
Administrative expenses		(5,202)	(5,410)	(3.8%)	(18,187)	(19,518)	(6.8%)
Finance costs		(93)	(67)	38.8%	(278)	(239)	16.3%
Share of loss of an associate		(1,088)	(341)	219.1%	(1,857)	(412)	350.7%
Impairment loss of investment in an associate		-	(231)	N.M.*	-	(231)	N.M.*
Profit / (Loss) before income tax	(1)	(260)	2,231	(111.7%)	(1,737)	2,578	(167.4%)
Income tax expense		(668)	(1,040)	(35.8%)	(1,133)	(1,794)	(36.8%)
Profit / (Loss) after income tax		(928)	1,191	(177.9%)	(2,870)	784	(466.1%)
Profit / (Loss) attributable to:							
Owners of the Company		(936)	1,131	(182.8%)	(2,872)	898	(419.8%)
Non-Controlling interests		8	60	(86.7%)	2	(114)	(101.8%)
		(928)	1,191	(177.9%)	(2,870)	784	(466.1%)

* N.M.: Not meaningful.

Note (1)

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

	Three months / Fourth quarter ended 31 December		Year ended 31 December	
	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
Depreciation of property, plant and equipment	361	316	1,435	1,382
Depreciation of right-of-use assets	465	-	1,425	-
Interest income	(107)	(242)	(422)	(748)
Net foreign exchange loss (Note a)	105	211	280	249
Increase / (Decrease) in allowance for inventories	1	(73)	133	(159)
Goodwill written off	-	116	-	116
Change in fair value of derivative financial instruments	-	-	-	(6)
Net loss / (gain) on disposal of property, plant and equipment	39	(24)	40	(37)
Interest on borrowings	93	67	278	239
Gain on disposal of subsidiaries (Note e)	-	(3,233)	-	(4,154)

Note a: The foreign currency exchange loss for the year ended 31 December 2019 comprised mainly unrealised loss net of unrealised gain on translating monetary assets less monetary liabilities in foreign currencies, mainly United States dollars, Renminbi and Japanese yen, to functional currency at each Group entity, and realised loss net of realised gain on payments denominated in foreign currencies other than the functional currency in each Group entity.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the fourth quarter and the financial year ended 31 December 2019

	Three months / Fourth quarter ended 31 December			Year ended 31 December		
	2019 US\$'000	2018 US\$'000	% Increase / (Decrease)	2019 US\$'000	2018 US\$'000	% Increase / (Decrease)
Profit / (Loss) for the periods	(928)	1,191	(177.9%)	(2,870)	784	(466.1%)
Other comprehensive income / (expense):						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange difference on translation of foreign operations	197	358	(45.0%)	32	(1,328)	(103.8%)
Release of foreign currency translation reserve upon disposal of a subsidiary	-	257	N.M.*	-	(1,173)	(99.1%)
	197	615	(68.0%)	32	(2,501)	(101.6%)
<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 / (loss) arising during the periods	31	(422)	(107.3%)	35	(495)	(107.1%)
- Income tax effect	-	57	N.M.*	(2)	79	(102.5%)
	31	(365)	(108.5%)	33	(416)	(107.9%)
Other comprehensive income / (expense) for the periods, net of tax	228	250	(8.8%)	65	(2,917)	(102.5%)
Total comprehensive income / (expense) for the periods	(700)	1,441	(148.6%)	(2,805)	(2,133)	31.1%
Total comprehensive income / (expense) attributable to:						
Owners of the Company	(708)	1,402	(150.5%)	(2,807)	(1,998)	40.1%
Non-controlling interests	8	39	(79.5%)	2	(135)	(101.5%)
	(700)	1,441	(148.6%)	(2,805)	(2,133)	31.1%

* N.M.: Not meaningful.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

	The Group		The Company	
	As at 31 December 2019 US\$'000	As at 31 December 2018 US\$'000	As at 31 December 2019 US\$'000	As at 31 December 2018 US\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	6,575	5,897	-	-
Right-of-use assets	3,357	-	-	-
Prepayment for the acquisition of intangible assets	-	861	-	-
Investments in subsidiaries	-	-	11,334	11,334
Amount due from a subsidiary	-	-	16,043	16,678
Investments in associates	1,881	3,580	-	-
Equity investments designated at fair value through other comprehensive income	1,555	1,500	-	-
Other assets	312	273	-	-
Deferred tax assets	176	130	-	-
Total non-current assets	13,856	12,241	27,377	28,012
Current assets				
Inventories	9,890	10,247	-	-
Trade receivables	32,294	24,460	-	-
Other receivables and prepayments	2,352	3,896	131	59
Amounts due from associates	541	272	-	-
Loans and receivables, at amortised cost	1,499	2,200	-	-
Pledged bank deposit (Note b)	149	148	-	-
Cash and bank balances	28,466	35,465	170	119
Total current assets	75,191	76,688	301	178
Total assets	89,047	88,929	27,678	28,190
LIABILITIES AND EQUITY				
Current liabilities				
Income tax payable	545	836	-	-
Bank borrowings	9,384	7,886	-	-
Current portion of finance leases	26	23	-	-
Current portion of lease liabilities	1,473	-	-	-
Trade payables	19,385	17,161	-	-
Other payables and accruals	3,348	3,986	176	132
Amount due to an associate	138	39	-	-
Total current liabilities	34,299	29,931	176	132
Non-current liabilities				
Bank borrowings	102	500	-	-
Finance leases	65	71	-	-
Lease liabilities	1,948	-	-	-
Retirement benefit obligations	407	320	-	-
Deferred tax liabilities	693	626	-	-
Total non-current liabilities	3,215	1,517	-	-
Capital, reserves and non-controlling interests				
Share Capital	10,087	10,087	10,087	10,087
Treasury shares	(4,385)	(3,752)	(4,385)	(3,752)
Retained earnings	26,176	31,296	2,958	2,476
Reserves	19,644	19,841	18,842	19,247
Equity attributable to owners of the Company	51,522	57,472	27,502	28,058
Non-controlling interests	11	9	-	-
Total equity	51,533	57,481	27,502	28,058
Total liabilities and equity	89,047	88,929	27,678	28,190

Note b: As at 31 December 2019, the Group's bank deposit of approximately US\$149,000 (31 December 2018: US\$148,000) was pledged to financial institutions to secure banking facilities granted to the Group.

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

Amount repayable in one year or less, or on demand

	As at 31 December 2019		As at 31 December 2018	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Bank and other borrowings	-	9,384	-	7,886
Finance leases	26	-	23	-
Total	26	9,384	23	7,886

Amount repayable after one year

	As at 31 December 2019		As at 31 December 2018	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Bank and other borrowings	-	102	-	500
Finance leases	65	-	71	-
Total	65	102	71	500

Details of collateral

As at 31 December 2019, the Group's bank deposit of approximately US\$149,000 (31 December 2018: US\$148,000) was pledged to financial institutions to secure banking facilities granted to the Group. The carrying amount of the Group's property, plant and equipment includes an amount of US\$90,000 (31 December 2018: US\$92,000) in respect of assets held under finance leases which are secured by the lessor's title to the leased assets.

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

CONSOLIDATED STATEMENT OF CASH FLOWS				
For the fourth quarter and the financial year ended 31 December 2019				
	The Group			
	Three months / Fourth quarter ended 31 December		Year ended 31 December	
	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
OPERATING ACTIVITIES				
Profit / (Loss) before income tax	(260)	2,231	(1,737)	2,578
Adjustments for				
Increase / (Decrease) in allowance for inventories	1	(73)	133	(159)
Depreciation of property, plant and equipment	361	316	1,435	1,382
Depreciation of right-of-use assets	465	-	1,425	-
Interest income	(107)	(242)	(422)	(748)
Finance costs	93	67	278	239
Net loss / (gain) on disposal of property, plant and equipment	39	(24)	40	(37)
Impairment of property, plant and equipment	-	782	-	782
Goodwill written off	-	116	-	116
Retirement benefit obligations	21	26	81	76
Change in fair value of derivative financial instruments	-	-	-	(6)
Impairment of intangible asset	861	-	861	-
Gain on disposal of a subsidiary (Note e)	-	(3,233)	-	(4,154)
Share of loss of associates	1,088	341	1,857	412
Gain on deemed disposal of an associate	(158)	-	(158)	-
Share-based payment expense	29	-	41	-
Impairment loss of investment in an associate	-	231	-	231
Operating cash flows before movements in working capital	2,433	538	3,834	712
Change in working capital:				
Trade receivables, other receivables and prepayments	578	(681)	(6,296)	489
Inventories	1,292	(868)	133	(3,245)
Amount due to / from an associate	(105)	35	(165)	35
Trade payables, other payables and accruals	3,756	4,313	1,510	5,369
Cash generated from / (used in) operations	7,954	3,337	(984)	3,360
Net income tax paid	(515)	(631)	(1,400)	(2,115)
Interest paid	(93)	(67)	(278)	(239)
Net cash generated from / (used in) operating activities	7,346	2,639	(2,662)	1,006
INVESTING ACTIVITIES				
Proceeds from disposal of property, plant and equipment	7	177	39	199
Decrease / (increase) in other assets	(104)	6	(35)	73
Additional investment in equity investment designated at fair value through other comprehensive income	(3)	(3)	(12)	(12)
Purchase of property, plant and equipment (Note c)	(1,152)	(291)	(2,155)	(2,203)
Decrease in loans and receivables	(1,499)	(1,899)	701	(1,192)
Interest income received	107	242	422	748
Acquisition of a subsidiary (Note d)	-	-	-	199
Disposal of a subsidiary (Note e)	-	(912)	-	(3,277)
Proceeds from disposal of held for trading investment	-	-	-	15
Net cash used in investing activities	(2,644)	(2,680)	(1,040)	(5,450)
FINANCING ACTIVITIES				
Proceeds from shares issued to non-controlling interests	-	1	-	1,391
Payment for the share buyback	(92)	-	(633)	(321)
Proceeds from bank borrowings	5,114	4,418	25,760	21,867
Repayment of obligation under finance leases	(16)	(59)	(42)	(105)
Repayment of principal portion of lease liabilities	(424)	-	(1,371)	-
Repayment of bank borrowings	(3,605)	(5,742)	(24,662)	(23,019)
Dividend paid	-	-	(2,487)	(2,519)
Net cash from / (used in) financing activities	977	(1,382)	(3,435)	(2,706)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	5,679	(1,423)	(7,137)	(7,150)
NET EFFECT OF CURRENCY TRANSLATION DIFFERENCES	(49)	381	138	(1,157)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	22,836	36,507	35,465	43,772
CASH AND CASH EQUIVALENTS AT END OF PERIOD	28,466	35,465	28,466	35,465

Note c: During the year ended 31 December 2019, the Group acquired property, plant and equipment with aggregate cost of US\$2,192,000 (Year ended 31 December 2018: US\$2,305,000) of which US\$37,000 (Year ended 31 December 2018: US\$102,000) was acquired by means of finance lease. Cash payment of US\$2,159,000 (Year ended 31 December 2018: US\$2,203,000) was made to purchase property, plant and equipment. In addition certain property, plant and equipment were refinanced by financial leases amounting to US\$4,000 (Year ended 31 December 2018: Nil).

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

	The Group			
	Three months/ fourth quarter ended 31 December		Year ended 31 December	
	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
The assets and liabilities of a subsidiary acquired during the periods are as follows:				
Non-current assets	-	-	-	37
Current assets	-	-	-	325
Current liabilities	-	-	-	(351)
Net assets acquired:	-	-	-	11
Minority interests	-	-	-	(1)
Total cost of acquisition	-	-	-	10
Net cash inflow arising on acquisition				
Cash consideration paid	-	-	-	(126)
Cash and cash equivalents acquired	-	-	-	325
Cash flow on acquisition, net of cash and cash equivalents acquired	-	-	-	199

Note e: Gain on disposal of subsidiaries

	The Group			
	Three months/ fourth quarter ended 31 December		Year ended 31 December	
	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
The assets and liabilities of subsidiaries disposed during the periods are as follows:				
Current assets	-	4,055	-	6,844
Current liabilities	-	(463)	-	(789)
	-	3,592	-	6,055
Cash consideration received	-	2,666	-	4,620
Fair value of interest retained	-	3,783	-	3,783
Less: Net assets disposed of	-	(3,592)	-	(6,055)
Realisation of foreign currency translation reserve	-	(257)	-	1,173
Non-controlling interest	-	633	-	633
Gain on disposal	-	3,233	-	4,154
Net cash outflow arising on disposal				
Cash and cash equivalents disposed of	-	(3,322)	-	(5,687)
Cash consideration received	-	2,410	-	2,410
Cash flow on disposal, net of cash and cash equivalent disposal of	-	(912)	-	(3,277)

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

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

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve US\$'000	Treasury shares US\$'000	Employee share option reserve US\$'000	Merger reserve US\$'000	Statutory Reserve Fund US\$'000	Enterprise Expansion Fund US\$'000	Other Reserves US\$'000	Fair value adjustment reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance as at 1 January 2019	10,087	18,994	(193)	(3,752)	446	(7,020)	3,806	318	1,187	101	2,202	31,296	57,472	9	57,481
Effect of adoption of International Financial Reporting Standard 16	-	-	-	-	-	-	-	-	-	-	-	(64)	(64)	-	(64)
Balance as at 1 January 2019 (restated)	10,087	18,994	(193)	(3,752)	446	(7,020)	3,806	318	1,187	101	2,202	31,232	57,408	9	57,417
Total comprehensive income / (expense) for the period	-	-	-	-	-	-	-	-	-	3	300	(1,147)	(844)	(1)	(845)
Shares purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(75)	-	-	-	-	-	-	-	-	(75)	-	(75)
Balance as at 31 March 2019	10,087	18,994	(193)	(3,827)	446	(7,020)	3,806	318	1,187	104	2,502	30,085	56,489	8	56,497
Total comprehensive expense for the period	-	-	-	-	-	-	-	-	-	(1)	-	(818)	(819)	(2)	(821)
Transfer upon lapse of share options	-	-	-	-	(446)	-	-	-	-	-	-	446	-	-	-
Shares purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(85)	-	-	-	-	-	-	-	-	(85)	-	(85)
Transfer to statutory reserve fund	-	-	-	-	-	-	145	-	-	-	-	(145)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(1,591)	(1,591)	-	(1,591)
Balance as at 30 June 2019	10,087	18,994	(193)	(3,912)	-	(7,020)	3,951	318	1,187	103	2,502	27,977	53,994	6	54,000
Total comprehensive income / (expense) for the period	-	-	-	-	-	-	-	-	-	-	(465)	29	(436)	(3)	(439)
Share purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(381)	-	-	-	-	-	-	-	-	(381)	-	(381)
Share-based payment expense	-	-	-	-	12	-	-	-	-	-	-	-	12	-	12
Transfer from statutory reserve fund	-	-	-	-	-	-	(5)	-	2	-	-	3	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(896)	(896)	-	(896)
Balance as at 30 September 2019	10,087	18,994	(193)	(4,293)	12	(7,020)	3,946	318	1,189	103	2,037	27,113	52,293	3	52,296
Total comprehensive income / (expense) for the period	-	-	-	-	-	-	-	-	-	31	197	(936)	(708)	8	(700)
Share purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(92)	-	-	-	-	-	-	-	-	(92)	-	(92)
Share-based payment expense	-	-	-	-	29	-	-	-	-	-	-	-	29	-	29
Transfer	-	-	-	-	-	-	-	-	1	-	-	(1)	-	-	-
Balance as at 31 December 2019	10,087	18,994	(193)	(4,385)	41	(7,020)	3,946	318	1,190	134	2,234	26,176	51,522	11	51,533

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

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

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve US\$'000	Treasury shares US\$'000	Employee share option reserve US\$'000	Merger reserve US\$'000	Statutory Reserve Fund US\$'000	Enterprise Expansion Fund US\$'000	Other Reserves US\$'000	Fair value adjustment reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance as at 1 January 2018	10,087	18,994	(193)	(3,431)	481	(7,020)	6,015	330	1,199	69	4,682	29,695	60,908	9	60,917
Effect of adoption of International Financial Reporting Standard 9	-	-	-	-	-	-	-	-	-	448	-	331	779	-	779
Balance as at 1 January 2018 (restated)	10,087	18,994	(193)	(3,431)	481	(7,020)	6,015	330	1,199	517	4,682	30,026	61,687	9	61,696
Total comprehensive income / (expense) for the period	-	-	-	-	-	-	-	-	-	(22)	1,333	(945)	366	(7)	359
Transfer upon lapse of share options	-	-	-	-	(35)	-	-	-	-	-	-	35	-	-	-
Balance as at 31 March 2018	10,087	18,994	(193)	(3,431)	446	(7,020)	6,015	330	1,199	495	6,015	29,116	62,053	2	62,055
Total comprehensive expense for the period	-	-	-	-	-	-	-	-	-	(16)	(1,834)	(188)	(2,038)	(80)	(2,118)
Share purchased under Share Purchase Mandate and held in treasury shares	-	-	-	(3)	-	-	-	-	-	-	-	-	(3)	-	(3)
Shares issued to non-controlling shareholders	-	-	-	-	-	-	-	-	623	-	-	-	623	768	1,391
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(1,608)	(1,608)	-	(1,608)
Balance as at 30 June 2018	10,087	18,994	(193)	(3,434)	446	(7,020)	6,015	330	1,822	479	4,181	27,320	59,027	690	59,717
Total comprehensive income / (expense) for the period	-	-	-	-	-	-	-	-	-	(13)	(1,185)	900	(298)	(87)	(385)
Share purchased under Share Purchase Mandate and held in treasury shares	-	-	-	(318)	-	-	-	-	-	-	-	-	(318)	-	(318)
Release of foreign currency translation reserve upon disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,430)	-	(1,430)	-	(1,430)
Disposal of a subsidiary	-	-	-	-	-	-	(2,209)	(12)	(638)	-	-	2,859	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(911)	(911)	-	(911)
Balance as at 30 September 2018	10,087	18,994	(193)	(3,752)	446	(7,020)	3,806	318	1,184	466	1,566	30,168	56,070	603	56,673
Total comprehensive income / (expense) for the period	-	-	-	-	-	-	-	-	-	(365)	379	1,131	1,145	39	1,184
Release of foreign currency translation reserve upon disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	257	-	257	-	257
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(633)	(633)
Transfer	-	-	-	-	-	-	-	-	3	-	-	(3)	-	-	-
Balance as at 31 December 2018	10,087	18,994	(193)	(3,752)	446	(7,020)	3,806	318	1,187	101	2,202	31,296	57,472	9	57,481

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

	Share capital	Share premium of the Company	Share capital reserve	Treasury shares	Employee share option reserve	Retained earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2019	10,087	18,994	(193)	(3,752)	446	2,476	28,058
Total comprehensive expense for the period	-	-	-	-	-	(55)	(55)
Shares purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(75)	-	-	(75)
Balance as at 31 March 2019	10,087	18,994	(193)	(3,827)	446	2,421	27,928
Total comprehensive income for the period	-	-	-	-	-	1,710	1,710
Transfer upon lapse of share options	-	-	-	-	(446)	446	-
Share purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(85)	-	-	(85)
Dividend paid	-	-	-	-	-	(1,591)	(1,591)
Balance as at 30 June 2019	10,087	18,994	(193)	(3,912)	-	2,986	27,962
Total comprehensive income for the period	-	-	-	-	-	790	790
Share-based payment expense	-	-	-	-	12	-	12
Share purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(381)	-	-	(381)
Dividend paid	-	-	-	-	-	(896)	(896)
Balance as at 30 September 2019	10,087	18,994	(193)	(4,293)	12	2,880	27,487
Total comprehensive income for the period	-	-	-	-	-	78	78
Share-based payment expense	-	-	-	-	29	-	29
Shares purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(92)	-	-	(92)
Balance as at 31 December 2019	10,087	18,994	(193)	(4,385)	41	2,958	27,502

	Share capital	Share premium of the Company	Share capital reserve	Treasury shares	Employee share option reserve	Retained earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2018	10,087	18,994	(193)	(3,431)	481	2,157	28,095
Total comprehensive expense for the period	-	-	-	-	-	(83)	(83)
Transfer upon lapse of share options	-	-	-	-	(35)	35	-
Balance as at 31 March 2018	10,087	18,994	(193)	(3,431)	446	2,109	28,012
Total comprehensive income for the period	-	-	-	-	-	1,776	1,776
Share purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(3)	-	-	(3)
Dividend paid	-	-	-	-	-	(1,608)	(1,608)
Balance as at 30 June 2018	10,087	18,994	(193)	(3,434)	446	2,277	28,177
Total comprehensive income for the period	-	-	-	-	-	1,150	1,150
Share purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(318)	-	-	(318)
Dividend paid	-	-	-	-	-	(911)	(911)
Balance as at 30 September 2018	10,087	18,994	(193)	(3,752)	446	2,516	28,098
Total comprehensive expense for the period	-	-	-	-	-	(40)	(40)
Balance as at 31 December 2018	10,087	18,994	(193)	(3,752)	446	2,476	28,058

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

Share Capital

As at 31 December 2018, the Company's issued and fully paid-up share capital was US\$10,087,084 represented by 227,814,308 ordinary shares (excluding treasury shares), and 24,362,802 ordinary shares held as treasury shares.

During the first quarter ended 31 March 2019, the Company purchased 571,400 ordinary shares under the Share Purchase Mandate and held them as treasury shares. As at 31 March 2019, the Company's issued and fully paid-up share capital was US\$10,087,084 represented by 227,242,908 ordinary shares (excluding treasury shares) and 24,934,202 ordinary shares held as treasury shares.

During the second quarter ended 30 June 2019, the Company purchased 641,800 ordinary shares under the Shares Purchase Mandate and held them as treasury shares. As at 30 June 2019, the Company's issued and fully paid-up share capital was US\$10,087,084 represented by 226,601,108 ordinary shares (excluding treasury shares) and 25,576,002 ordinary shares held as treasury shares.

During the third quarter ended 30 September 2019, the Company purchased 2,740,700 ordinary shares under the Shares Purchase Mandate and held them as treasury shares. As at 30 September 2019, the Company's issued and fully paid-up share capital was US\$10,087,084 represented by 223,860,408 ordinary shares (excluding treasury shares) and 28,316,702 ordinary shares held as treasury shares.

During the fourth quarter ended 31 December 2019, the Company purchased 670,400 ordinary shares under the Shares Purchase Mandate and held them as treasury shares. In summary, during the year ended 31 December 2019, the Company purchased a total of 4,624,300 ordinary shares under the shares purchase mandate and held the as treasury shares. As at 31 December 2019, the Company's issued and fully paid-up share capital was US\$10,087,084 represented by 223,190,008 ordinary shares (excluding treasury shares) and 28,987,102 ordinary shares held as treasury shares.

Treasury shares

	The Company			
	2019 Number of shares	US\$'000	2018 Number of shares	US\$'000
Balance as at 1 January	24,362,802	3,752	22,532,202	3,431
Ordinary shares purchased during the first quarter	571,400	75	-	-
Ordinary shares purchased during the second quarter	641,800	85	20,000	3
Ordinary shares purchased during the third quarter	2,740,700	381	1,810,600	318
Ordinary shares purchased during the fourth quarter	670,400	92	-	-
Balance as at 31 December	<u>28,987,102</u>	<u>4,385</u>	<u>24,362,802</u>	<u>3,752</u>

Share Options

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

On 26 August 2016, the Company consolidated every two (2) existing ordinary shares of par value of US\$0.02 each in the authorised and issued capital of the Company into one (1) ordinary share of par value of US\$0.04 each in the authorised and issued capital of the Company. On the same day, the Company consolidated every two (2) existing options into one (1) option which can be exercised at S\$0.216 to subscribe one (1) ordinary share of par value of US\$0.04 each in the authorised and issued capital of the Company.

During the first quarter ended 31 March 2019 and the second quarter ended 30 June 2019, no share option was exercised. 6,250,000 unexercised share options were lapsed and cancelled on 29 May 2019 at the expiry of the share options granted under CDW Employees Share Option Scheme 2013.

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 Option Scheme 2018. This proposal was adopted and administrated by the Remuneration Committee. The options granted were accepted by the Participants in August 2019. The option was 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 period from the date of acceptance to 31 December 2019, no share option was allowed to be exercised and no share options were neither lapsed nor cancelled. The number of outstanding share options as at 31 December 2019 was 7,250,000 with exercise price at S\$0.14 (31 December 2018: 6,250,000 with exercise price at S\$0.216).

Subsidiary Holdings

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

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

	The Company	
	As at 31 December 2019	As at 31 December 2018
Issued shares	252,177,110	252,177,110
Less: Treasury shares	(28,987,102)	(24,362,802)
Total number of issued shares excluding treasury shares	<u>223,190,008</u>	<u>227,814,308</u>

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

During the year ended 31 December 2019, there were no sales, transfers, disposal and / or use of treasury shares except for the purchase of 4,624,300 ordinary shares under the Share Purchase Mandate and held as treasury shares. As at 31 December 2019, there were 28,987,102 (31 December 2018: 24,362,802) ordinary shares held as treasury shares.

1(d)(v) A statement showing all sales, transfers, cancellation and / or use of subsidiary holdings as at the end of the current financial period reported on.

The Group did not have any subsidiary holdings for the current financial period reported on.

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

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

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

Not applicable.

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

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the most recently audited annual financial statements for the year ended 31 December 2018 except for the adoption of the revised International Financial Reporting Standards which came into effect this financial year from 1 January 2019. The adoption of these revised accounting policies did not give rise to any significant change to the financial statements, except for new accounting policies adopted under Paragraph 5 below.

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

The Group has adopted the new or revised International Financial Reporting Standards (“IFRS”) which came into effect this financial year from 1 January 2019.

IFRS 16 Leases requires lessees to recognise most leases on statement of financial position. The standard includes two recognition exemptions for lessees – leases of “low value” assets and short-term leases. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. The impact from adoption of IFRS 16 is mainly derived from the leases of factories, offices and staff quarters. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right-to-use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right of use asset.

The Group has adopted IFRS 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained profits at the date of initial application, 1 January 2019.

On the adoption of IFRS 16, the Group chose, on a lease-by-lease basis, to measure the right-of-use asset at either:

- (i) its carrying amount as if IFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 January 2019; or
- (ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2019.

On the adoption of IFRS 16, the Group recognized right-of-use assets of US\$2,152,000 and lease liabilities of US\$2,187,000 for its leases previously classified as operating leases, with a corresponding decrease in the opening retained earnings of US\$64,000 and offsetting the prepaid rent of US\$29,000 as at 1 January 2019.

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

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

	Three months / fourth quarter ended 31 December		Year ended 31 December	
	2019	2018	2019	2018
Based on weighted average number of ordinary shares in issue (US cents)				
- Basic	(0.42)	0.50	(1.27)	0.39
- Fully diluted (Note f)	(0.42)	-	(1.27)	0.39
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (Note g)	223,333,312	227,814,308	225,676,792	228,894,621
Effect of dilutive share options	1,855,059	-	660,354	439,443
Weighted average number of ordinary shares for the purpose of diluted earnings per ordinary share	<u>225,188,371</u>	<u>227,814,308</u>	<u>226,337,146</u>	<u>229,334,064</u>

Note f: Diluted effect on earnings / (loss) per share referred to share options granted to the participants under the Company’s Employee Share Option Scheme 2018 remained outstanding as at 31 December 2019.

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

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

	31 December 2019	31 December 2018
Net asset value per ordinary share, excluding treasury shares (US cents)		
- The Group	23.09	25.23
- The Company	12.32	12.32

The calculation of the net asset value per ordinary share was based on total number of 223,190,008 (31 December 2018: 227,814,308) ordinary shares (excluding treasury shares).

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

STATEMENT OF PROFIT AND LOSS

Revenue for the year ended 31 December 2019 (“FY2019”) rose by US\$11.3 million to US\$101.5 million as compared to the US\$90.2 million recorded for the previous corresponding financial year (“FY2018”). The Group’s gross profit for FY2019 increased by US\$0.3 million to US\$19.7 million from US\$19.4 million in FY2018 and the gross margin of the Group fell to 19.4% in FY2019, from 21.5% in FY2018. A detailed breakdown is provided in the segment analysis below.

Other operating income for FY2019 decreased by US\$4.1 million to US\$1.1 million, as compared to US\$5.2 million in FY2018. This amount was mainly comprised of interest income earned and the government compensation arising from the compulsory closure of the Group’s food and beverage operation in Shanghai, the People’s Republic of China.

In the area of expenses for FY2019, distribution expenses increased by US\$0.5 million to US\$2.2 million (FY2018: US\$1.7 million) while administrative expenses decreased by US\$1.3 million to US\$18.2 million (FY2018: US\$19.5 million). The higher distribution expenses were mainly attributable to the increase in packing materials used for larger sized LCD backlight units. The decrease in administrative expenses was attributable to cost controls of salary-related and rental expenses. In addition, a full impairment amounting to US\$0.9 million was provided for the prepayment for the acquisition of intangible assets due to the uncertainty over the commercialisation of the related patents. Finance costs remained low for the year under review as the Group continued to strictly uphold its low gearing policy.

The Group’s associated company, which is still in its development phase, incurred a loss in FY2019 and the Group’s share of operating loss amounted to US\$1.9 million.

Income tax expenses for FY2019 decreased by US\$0.7 million to US\$1.1 million as compared to US\$1.8 million in FY2018. There were income tax expenses even though the Group incurred an overall loss before income tax. This was mainly due to tax credits, which had not been recognised in profit or loss, from the loss-making subsidiaries not being able to fully mitigate the income tax payable from the profit-making subsidiaries.

As a result of the above, FY2019 saw the Group record a loss before income tax of US\$1.7 million (FY2018: profit of US\$2.6 million) and register a loss after income tax of US\$2.9 million (FY2018: profit of US\$0.8 million).

LCD Backlight Units

For the financial year under review, revenue from the LCD Backlight Units segment increased by US\$23.3 million to US\$61.7 million (FY2018: US\$38.4 million). The increase was due to the higher selling price of larger sized LCD backlight units for use in more premium automobiles and ultrathin notebook computers. In addition, this business segment received a new allocation of smartphone orders placed during the second half of FY2019, enabling it to record an operating profit of US\$2.5 million then. However due to the segment also incurring an operating loss of US\$0.3 million in the earlier half of FY2019, the segment’s total operating profit for FY2019 amounted to US\$2.2 million.

In terms of sales volume, the total number of units sold for the segment amounted to 7.5 million units (FY2018: 8.3 million units). Approximately 2.0 million units were sold for handsets (FY2018: 0.2 million units) and another 5.5 million units were sold for gamesets including automobile information displays and ultrathin notebook computer displays (FY2018: 8.1 million units). This was an increase of 900.0% and a decrease of 32.1% respectively.

Office Automation

Revenue from the Office Automation segment dropped by US\$4.1 million to US\$21.2 million in FY2019 as compared to US\$25.3 million posted for FY2018. The segment correspondingly recorded a lower operating profit of US\$0.6 million for the financial year as compared to the US\$1.6 million of FY2018. The operating margin for this segment decreased from 6.3% in FY2018 to 2.8% for FY2019. The drop in sales and the operating margin was due to a loss of customer orders from Japan.

LCD Parts and Accessories

Sales for the LCD Parts and Accessories segment declined by US\$8.5 million from US\$25.3 million in FY2018 to US\$16.8 million in FY2019. The segment booked an operating profit of US\$0.5 million for FY2019 as compared to US\$0.8 million in FY2018. The operating margin for this segment narrowed from 3.2% in FY2018 to 3.0% for FY2019. The drop in sales and the operating margin was attributable to some products being phased out and the decrease in OEM business as a result of uncertainty arising from the US-China trade tensions.

Other Segment

Other Segment, mainly the food and beverage business and the life sciences business, generated a total revenue of US\$1.7 million for the financial year under review (FY2018: US\$1.3 million). As the life sciences division is still in its initial development stage, there was an operating loss of US\$0.4 million for FY2019 (FY2018: US\$2.0 million).

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

The Group's total assets and liabilities stood at US\$89.0 million and US\$37.5 million respectively, as compared to US\$88.9 million and US\$31.4 million as at 31 December 2018.

Current assets dipped to US\$75.2 million as compared to the US\$76.7 million for FY2018. Meanwhile, cash and bank balances decreased by US\$7.0 million to US\$28.5 million as at 31 December 2019 (31 December 2018: US\$35.5 million). The reduction in cash level was mainly due to the financing of a longer credit term for the Group's key customers and the purchase of raw materials for larger sized LCD backlight units. In association with the rise in revenue, trade receivables increased from US\$24.5 million to US\$32.3 million. Except for the longer credit term of 120 days offered to the Group's key customers, there was no material change in the credit term of 60 days to 90 days offered to other customers in general.

Other receivables and prepayments of US\$2.4 million (FY2018: US\$3.9 million) mainly represented utility deposits, prepaid expenses, value added tax recoverable, and sales tax prepaid. Included in loans and receivables was a receivable of US\$1.5 million being the sales proceeds for the disposal of interest in a subsidiary.

The non-current assets of the Group stood at US\$13.9 million (31 December 2018: US\$12.2 million). Also included in property, plant and equipment amounting to US\$6.6 million (31 December 2018: US\$5.9 million), was leasehold improvements and newly purchased equipment of US\$2.2 million, which was netted off against the depreciation charge of US\$1.4 million and the foreign currency translation effect of US\$0.1 million. The equity investments designated at fair value through other comprehensive income included the equity investment in a Korean company, which offered the Group the manufacturing and distribution rights for its products, and listed shares in Japan. Despite a full impairment provided against the prepayment for the acquisition of the intangible asset which represented an advance payment for the application of research results related to life science products and their related patents, the Group will continue to commercialise such patents to earn a decent investment return.

Upon the implementation of International Financial Reporting Standard 16 Leases as explained in paragraph 5 above, a right-of-use assets of US\$2.2 million was recognised as at 1 January 2019. During the period under review, additional right-of-use assets of US\$2.7 million were recognised and the depreciation of these right-of-use assets amounting to US\$1.4 million was charged to profit or loss. Investment in associates mainly represented the Group's investment in A Biotech Co., Limited, which is a company incorporated in Korea that has incurred losses as it is still in the development phase.

Total liabilities amounted to US\$37.5 million, representing an increase of US\$6.1 million (31 December 2018: US\$31.4 million). As explained in the statement of cash flows, the Group redrew bank borrowings amounting

to US\$25.8 million while settling bank borrowings amounting to US\$24.7 million with net proceeds of US\$1.1 million. Total outstanding bank borrowings was US\$9.5 million (31 December 2018: US\$8.4 million).

In relation to the right-of-use assets as mentioned above, there were lease liabilities of US\$3.4 million of which US\$1.5 million is payable within a year and classified under current liabilities (31 December 2018: Not applicable as explained in paragraph 5 above).

The Group's trade payables increased by US\$2.2 million to US\$19.4 million (31 December 2018: US\$17.2 million). The increase was in line with the higher sales of the fourth quarter for the year under review. There was no material change in the credit terms offered by the Group's suppliers and the settlement was done in accordance with the agreed credit terms.

The income tax on profit was provided and adjusted under tax rules for different jurisdictions. The income tax charge net of payment for the period under review had reduced the income tax payable by US\$0.3 million to US\$0.5 million (31 December 2018: US\$0.8 million).

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 subsidiaries to immediate holding company and the tax effects of temporary differences between the carrying amounts of an asset or liability and its tax base.

STATEMENT OF CASH FLOWS

The Group had net cash used in operating activities amounting to US\$2.7 million for the current year under review as compared to US\$1.0 million generated from the corresponding period in the previous year. As explained above, the net cash used in operating activities were mainly due to an increase in the working capital for production of larger sized LCD backlight units, in which the Group faced costlier raw materials as well as a longer credit term demanded by the key customers. During FY2019, the Group paid income tax amounting to US\$1.4 million (FY2018: US\$2.1 million).

For investing activities, there was a net cash outflow of US\$1.0 million (FY2018: US\$5.5 million) over the year under review, mainly attributable to the receipt of loan repayment from a customer amounting to US\$2.2 million. In addition, there was purchase of property, plant and equipment amounting to US\$2.2 million (FY2018: US\$2.2 million).

For financing activities, there was a net cash outflow of US\$3.4 million over FY2019 (FY2018: US\$2.7 million). The financing activities mainly included the net proceeds of bank borrowings amounting to US\$1.1 million during FY2019 (FY2018: net settlement of US\$1.2 million) so as to meet the Group's increase in working capital for the reason stated above. During FY2019, the Group bought back its own shares worth of US\$0.6 million (FY2018: US\$0.3 million) in the open market and also paid the final dividend of US\$1.6 million for FY2018 (FY2018: final dividend of US\$1.6 million for FY2017) and an interim dividend of US\$0.9 million for FY2019 (FY2018: interim dividend of US\$0.9 million for FY2018). In respect of the right-of-use assets, the Group made a repayment of lease liabilities amounting to US\$1.4 million (FY2018: Not applicable as explained in paragraph 5 above).

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

Not applicable.

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

Business Environment

For the year under review, the Group's business environment continued to be increasingly challenging. Intensified price competition coupled with shorter product life cycles, the Group was also subject to turbulent macro environment events such as the ongoing US-China trade tensions. Moreover, external pressures were magnified with the outbreak of the Novel Coronavirus ("COVID-19") which halted work at the Group's plants in China due to a blanket requirement for selected provinces to cease production. COVID-19 has disrupted supply chains and this has affected the Group with locally manufactured accessory materials being in short supply. It would be a challenge to the Group to find alternative supplies. As the COVID-19 outbreak continues,

it will not only have a significantly unfavourable impact on the Group's sales and profitability in the coming quarters, but will affect China and the global economy as a whole.

Besides the disruptions in China caused by COVID-19, the Group has also encountered delays for its OEM operations in the Philippines due to the Taal volcano eruption in early January and the consequent safety concerns in the aftermath.

Despite these incidents, the Group continued to make headway, working with its customers to develop new products, growing its other businesses to diversify, and exploring alternative manufacturing locations for risk diversification and to explore new business opportunities.

Business Segment Outlook

For the financial year under review, the Group continued to receive orders for larger-sized LCD backlight units used in ultrathin notebook computers and premium vehicles. Previously, the Group anticipated a capacity constraint for light guide panels from its sole supplier. But adjustments made by the end-customer to their sales forecasts and the subsequent reduction in order volume have instead resulted in excess capacity. The Group managed to secure additional orders for notebook computers and a one-off order for smartphones which partially alleviated the issue.

For the larger-sized LCD backlight units used in automobile information displays in more premium vehicles, demand remains steady but at a low volume. The Group expects a higher number of orders when these displays become commonplace in mainstream automobiles.

Meanwhile, both the Office Automation, and LCD Parts and Accessories segments continue to face intense price competition, as well as lower revenue due to models becoming obsolete or phased-out. Both segments are taking measures to maintain profitability, and are anticipated to remain stable in the coming financial year as the Group projects a stable inflow of orders for parts for new models of office automation, mobile phones and ultrathin notebook computers.

The OEM business for mobile payment machines, which is a subset of the LCD Parts and Accessories segment, likewise faces stiffer price competition from other PRC suppliers. In response, the Group has streamlined and removed non-competitive models and is shifting the bulk of its operations to a new facility in the Philippines. The relocation will improve the Group's reach to existing and new customers which have also established manufacturing operations in the Philippines.

The Group has identified an opportunity for its OEM business to expand into the hand-held dictionary market in Japanese, expanding the Group's capabilities to include design, shifting forwards from being a mere OEM to becoming an ODM, which would pave the way for future opportunities.

For the life sciences business, the Group continues to market its synthetic antibodies library to relevant biotech and pharmaceutical companies for research and development purpose, with the aim of helping to create alternative treatments for diseases. The Group is working with Okayama University on the next generation of antibody library and aims to reach the patent application phase. To date, one of the projects is already in the patent application phase while the rest are in various stages of development. The Group also continues to work with Meisterbio Co., Limited ("Meisterbio") to explore opportunities to leverage on intellectual property ("IP") rights which were acquired from Meisterbio together with the sales and distribution rights in Japan, Korea, and other Asian markets. Meisterbio's products which contain the IP, are being tested by different customers to see if they are applicable to their product line-up.

Managing Risks and Looking Forward

The proposed disposal of indirect subsidiary S.M.T. Assembly Limited is one of its ongoing efforts in streamlining the Group's businesses.

While the Group refines its internal processes, it also takes into account external challenges and risks. The Group's response the US-China trade war in the form of new facilities in the Philippines is on track despite the delay due to the volcano eruption. Once fully operational, the facility would help mitigate the risk of US tariffs and allow the Group to explore new opportunities with existing and new clients based in the area.

As for the COVID-19 outbreak, the Group has established the necessary precautions such as facemask-wearing, cleaning and sanitisation, and temperature monitoring for its workers in China. The Company is also following the directives outlined by the Chinese Government to contain the outbreak. To date, although all of the Group's factories have resumed production but are facing the challenge of labour shortages, particularly, for one of the Group's Shanghai factories which hired a significant number of workers from other provinces in China, the outlook for FY2020 remains challenging.

11. Dividend**(a) Current Financial Period Reported On**

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

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per Share	0.4 US cent per ordinary share	0.7 US cent per ordinary share
Tax Rate	Tax not applicable	Tax not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per Share	0.4 US cent per ordinary share	0.7 US cent per ordinary share
Tax Rate	Tax not applicable	Tax not applicable

(c) Date payable

To be determined later.

(d) Record date

To be determined later.

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

Not applicable. Dividends have been recommended for shareholders' approval at the forthcoming annual general meeting.

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

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

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

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

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Name of interested person	US\$'000	US\$'000
Mr YOSHIMI Kunikazu Payment of advisory fee	65	-
A Biotech Co., Limited		
- Provision of services under Joint Research and Development and Assistance Agreement	516	-
- Provision of services under Memorandum for Management Support	35	-
- Supply of consumables	14	-
Mr YOSHIMI Koichi		
- Interest on outstanding receivable in relation to the disposal of 280,000 shares of A Biotech Co., Limited	39	-
Total	669	-

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

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

CDW Holding Limited

Business segment for the financial year ended 31 December 2019

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

- i) LCD backlight units – Manufacturing of LCD backlight units for LCD module
- ii) Office automation – Manufacturing and trading of parts and precision accessories for office equipment and electrical appliances
- iii) LCD parts and accessories – Manufacturing and trading of parts and precision accessories for LCD module and of mobile payment devices
- iv) Others – Other businesses including general trading, food and beverage business and life sciences

	LCD backlight units	Office automation	LCD parts and accessories	Others	Eliminations	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue						
External sales	61,744	21,179	16,817	1,747	-	101,487
Inter-segment sales	-	329	-	-	(329)	-
Total revenue	61,744	21,508	16,817	1,747	(329)	101,487
Results						
Segment result	2,226	582	527	(202)	-	3,133
Unallocated corporate expense						(3,157)
Operating loss						(24)
Interest income						422
Finance costs						(278)
Share of loss of an associate						(1,857)
Loss before income tax						(1,737)
Income tax expense						(1,133)
Loss after income tax						(2,870)
Assets						
Segment assets	47,314	19,256	16,536	1,630	(200)	84,536
Unallocated assets						4,511
Consolidated total assets						89,047
Liabilities						
Segment liabilities	13,791	5,485	3,262	219	(200)	22,557
Bank borrowings, finance leases and lease liabilities						12,998
Unallocated liabilities						1,959
Consolidated total liabilities						37,514
Other information						
Capital expenditure	398	523	1,233	38		2,192
Right-of-use assets	540	630	1,506	50		2,726
Depreciation of property, plant and equipment	648	405	366	16		1,435
Depreciation of right-of-use assets	498	375	466	86		1,425
Increase / (Decrease) in allowance for inventories	60	51	66	(44)		133

Business segment for the financial year ended 31 December 2018

	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						
External sales	38,408	25,257	25,262	1,319	-	90,246
Inter-segment sales	-	395	-	-	(395)	-
Total revenue	38,408	25,652	25,262	1,319	(395)	90,246
Results						
Segment result	1,077	1,574	839	(2,031)		1,459
Unallocated corporate expense						(2,785)
Operating loss						(1,326)
Interest income						748
Finance costs						(239)
Impairment of goodwill						(116)
Share of loss of associates						(412)
Impairment of investment in an associate						(231)
Gain on disposal of subsidiaries						4,154
Profit before income tax						2,578
Income tax expense						(1,794)
Profit after income tax						784
Assets						
Segment assets	31,589	24,188	25,202	1,349	(131)	82,197
Unallocated assets						6,732
Consolidated total assets						88,929
Liabilities						
Segment liabilities	8,068	7,174	5,654	249	(131)	21,014
Bank borrowings and finance leases						8,480
Unallocated liabilities						1,954
Consolidated total liabilities						31,448
Other information						
Capital expenditure	812	303	525	665		2,305
Depreciation of property, plant and equipment	537	389	436	20		1,382
Impairment of property, plant and equipment	57	10	715	-		782
Increase / (decrease) in provision for inventories	(181)	67	(21)	(24)		(159)

Geographical Segment for the year ended 31 December 2019 and 2018

	Turnover		Non-Current Assets		Capital Expenditure	
	Year ended 31 December		Year ended 31 December		Year ended 31 December	
	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
Hong Kong	13,372	20,209	1,396	472	16	446
PRC	73,270	54,154	5,397	3,549	1,188	1,085
Japan	14,329	14,880	2,222	2,119	121	188
Others	516	1,003	1,176	-	867	586
Total	101,487	90,246	10,191	6,140	2,192	2,305

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

Information about major customer

Revenue from one key customer which has transactions with all segments accounted for 44.3% of the total revenue for the year ended 31 December 2019 (Year ended 31 December 2018: 46.2%).

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

Please refer to paragraph 8 for the factors leading to any material changes in contribution to revenue and earnings by business segments. In terms of geographical segments, the Group was generating revenue mainly in Hong Kong, the PRC and Japan. Revenue in Hong Kong, the PRC and Japan accounted for 13.2%, 72.2% and 14.1% of the total revenue respectively. Total revenue increased by 12.5% to US\$101.5 million for the year ended 31 December 2019 as compared to the corresponding period in the previous year.

As at 31 December 2019, non-current assets located in Hong Kong, the PRC and Japan accounted for 12.7%, 53.5% and 22.1% of the total non-current assets of the Group respectively. During the year ended 31 December 2019, the Group invested a total capital expenditure of US\$2.2 million for the purchase of equipment in Hong Kong, the PRC, Japan, and the Philippines, and they are mainly for the purposes of replacement and new business.

17. A breakdown of sales

	Year ended 31 December		
	2019 US\$'000	2018 US\$'000	% Increase / (Decrease)
Sales reported for the first quarter	20,949	18,350	14.2%
Sales reported for the second quarter	24,168	22,206	8.8%
Sales reported for the third quarter	25,473	23,497	8.4%
Sales reported for the fourth quarter	30,897	26,193	18.0%
Operating loss after income tax for the first quarter	(1,148)	(952)	20.6%
Operating loss after income tax for the second quarter	(820)	(268)	206.0%
Operating profit after income tax for the third quarter	26	813	(96.8%)
Operating profit / (loss) after income tax for the fourth quarter	(928)	1,191	(177.9%)

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

Annual Dividend (in US\$'000)	Year ended 31 December 2018	Year ended 31 December 2017
Ordinary dividend		
- Interim	1,608	1,149
- Final	911	1,608
Total	2,519	2,757

19. 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

29 February 2020